

COMMONWEALTH of VIRGINIA

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

600 East Broad Street, Suite 1300
Richmond, VA 23219

June 17, 2005

Dear Prospective Contractor:

The Department of Medical Assistance Services (DMAS) is soliciting proposals from qualified organization to perform payroll services for consumer-directed services as a vendor Fiscal/Employer Agent (F/EA) operating under Title 26, Section 3504 of the IRS Code and Revenue Procedure 70-6. The selected Contractor will provide the required services for DMAS. Specific details about this procurement are in the enclosed Request For Proposal (RFP) 2005-05. Contractors must check the DMAS web site at www.dmas.virginia.gov or check the eVA web site at www.eva.state.va.us for any addendums or notices regarding this RFP.

The Commonwealth will not pay any costs that any Contractor incurs in preparing a proposal and reserves the right to reject any and all proposals received.

Potential Contractors are asked not to call this office. All issues and questions related to this RFP should be submitted in writing to the attention of CDFAS@dmas.virginia.gov, or Terry Smith, Waiver Operations Manager, Long-Term Care and Quality Assurance Division, 600 East Broad Street, Suite 1300, Richmond, VA 23219, or by fax at 804-371-4986. In order to expedite the process of submitting inquiries, we request that vendors submit any questions or issues by email in MS Word format to CDFAS@dmas.virginia.gov.

Sincerely,

William D. Sydnor
Director of Contract Management

Enclosure

**REQUEST FOR PROPOSALS
RFP 2005-05**

Issue Date: 06/17/2005

Title: Consumer-Directed Fiscal/Employer Agent Services

Contract Period: An initial period of three years from date of award, with provisions for three 12-month extensions.

All inquiries should be directed in writing via email in MS Word Format to
CDFAS@dmass.virginia.gov

Terry Smith, Waiver Operations Manager
Long Term Care and Quality Assurance
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

Deadline for submitting inquiries is 2:00 p.m. E.S.T. on June 24, 2005.

Proposal Due Date: Proposals will be accepted until 2:00 p.m. E.S.T. on July 20, 2005.

Submission Method: The proposal(s) will be sealed in an envelope or box and addressed as follows:

"RFP 2005-05 Sealed Proposal"
Department of Medical Assistance Services
Attention: William D. Sydnor
600 E. Broad Street, Suite 1300
Richmond, Virginia 23219

Facsimile or email transmission of the proposal is not acceptable.

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, §2.2-4343.1 or against an Offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

In compliance with this Request for Proposal and to all conditions imposed therein and hereby incorporated by reference, the undersigned proposes and agrees to furnish the services contained in their proposal.

Firm Name (Print)	F.I. or S.S. Number
	F.I Number for F/EA Services
Address	Print Name
Address	Title
City, State, Zip Code	Signature (Signed in Ink)
Telephone	Date Signed
Fax Number	
eVA Registration Required	eVA Vendor #:
Check Applicable Status _____Corporation _____Partnership ____Proprietorship ____Individual _____ Woman Owned _____Minority Owned ____ Small Business	

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RFP 2005-05: CONSUMER-DIRECTED FISCAL/EMPLOYER AGENT SERVICES

1. PURPOSE AND DEFINITIONS

The Department of Medical Assistance Services (DMAS) is the single State agency in the Commonwealth of Virginia that administers the Medicaid Program under Title XIX of the Social Security Act. DMAS received approval from the Centers for Medicare and Medicaid Services (CMS), under section 1915(c) of the Social Security Act, to operate several home-and-community-based waiver programs that have been developed to provide Medicaid recipients an alternative to institutional placement. Some of these waiver programs include consumer-directed services, which affords the recipient the opportunity to direct their own care. Consumer-directed attendants provide personal assistant services and related services to eligible recipients in the following waiver programs: 1) Mental Retardation (MR) Waiver, 2) Individual and Family Developmental Disabilities Support (DD) Waiver, 3) HIV/AIDS Waiver, 4) Elderly or Disabled with Consumer-Direction (EDCD) Waiver.

DMAS is hereby soliciting proposals from qualified organizations through a competitive procurement process to provide Fiscal/Employer Agent (F/EA) services to Medicaid recipients receiving consumer-directed services who hire their attendant directly.

These services include managing attendant employment related documentation, payroll, State and Federal tax withholdings and unemployment taxes (FICA, FUTA, SUTA). The F/EA acts as the agent to the common-law employer (Medicaid recipient) or his/her representative in accordance with Section 3504 of the IRS Code and Revenue Procedure 70-6. This Request for Proposal (RFP) is for F/EA services in all areas of the State for Medicaid recipients who have been determined by DMAS or a DMAS preauthorization agent to be eligible to receive these services.

The F/EA is responsible for:

- Developing and updating an operations manual
- Obtaining Federal and State approval to be a vendor Fiscal/Employer agent (F/EA)
- Processing payroll
- Developing, implementing and maintaining end of year Federal tax processes
- Providing and monitoring a dedicated service support system
- Developing, implementing and maintaining a record management process
- Staying up-to-date with Federal and State rules and regulations regarding vendor Fiscal/Employer agents and household employers
- Preparing and submitting the required reports to State government and individuals/representatives

A qualified F/EA is one that can deliver the services requested in an efficient and effective manner while ensuring the highest standards of performance, integrity, customer service, and fiscal accountability.

This RFP is the result of DMAS' cost containment and service improvement strategy for consumer-directed services. This RFP is intended to help DMAS better manage the Consumer-Directed Services programs by providing more efficient and effective services and preventing fraud and abuse.

Number of Awards: One contract will be awarded through this RFP. An F/EA must submit one proposal for the entire state.

Based on the proposals, DMAS will select and enter into a contractual agreement with a qualified organization for the delivery and reimbursement of F/EA services.

Duration of Contract: The duration of the contract resulting from this RFP is three years and may be extended for three additional twelve-month periods at the option of DMAS.

General Scope of Responsibilities: The successful F/EA will manage the payroll process for consumer-directed services and ensure appropriate and timely payments are made to attendants. The F/EA's payments issued to attendants, hired directly by Medicaid recipients, will be based on rates established in accordance with Virginia Medicaid regulations and policy manuals.

Service Volume: In Fiscal Year 2004, approximately 1,015 recipients received consumer-directed services from 993 attendants with expenditures for these services totaling approximately \$11.4 million. On average, 743 recipients received consumer-directed services from 895 attendants in any given month.

It is anticipated the number of recipients who choose to receive consumer-directed services in Virginia will increase with the combination of the Elderly and Disabled and Consumer-Directed Personal Attendant Services Waivers into the Elderly or Disabled with Consumer-Direction (EDCD) Waiver. Virginia foresees as many as 4000 new recipients will receive consumer-directed services during the 2006 Fiscal Year.

If Virginia chooses to expand any of the current waivers or the Medicaid State Plan programs to include consumer-direction or to develop new waivers that include consumer-direction as a service option, DMAS reserves the right to adjust payment under the contract based on the per member per month (PMPM) methodology. DMAS reserves the right to adjust payment to the F/EA as a result of federal or State regulatory changes, or court order that may occur after the contract award.

DMAS will notify the F/EA of any expansion or contraction of the Medicaid Waivers and its projected impact on payment at least 60 days prior to implementation.

Definitions: Throughout this RFP, the following definitions are applicable:

Attendant - The employee of a recipient receiving consumer-directed services. Attendant applies to all services: personal care, respite, and companion.

BCIS – Bureau of Citizenship and Immigration Services

Consumer-Directed Attendant Application (DMAS 92) – Employment form that is completed by the attendant and recipient, and then approved by the Services Facilitator and F/EA prior to payment for services.

DMAS 122 – Document completed by the recipient's Local Department of Social Services (LDSS) eligibility worker identifying a recipient's monthly patient pay amount. The LDSS worker sends this document to the Services Facilitator who sends a copy to the F/EA each year and when any changes are made to the patient pay amount.

Employment Eligibility Verification (BCIS I-9) Form – The BCIS requires all employers to verify the identity and work eligibility of U.S. citizens or aliens authorized to work in the United States.

Employment Packet - The combination of the Employment Application (DMAS 92), Employment Eligibility Verification (BCIS I-9), IRS Form W-4, state Form W-4 and IRS Notice 797.

Fiscal/Employer Agent (F/EA)- An organization possessing a separate Employer Identification Number (EIN) for the sole purpose of providing F/EA services and who is bidding on this contract.

Health Insurance Portability & Accountability Act of 1996 (HIPAA) - Title II of HIPAA requires standardization of patient health, administrative and financial data; unique health identifiers for individuals, employers, health plans, and health care providers, and security standards protecting the confidentiality and integrity of individually identifiable health information past, present, or future.

Medicaid Management Information System (MMIS) - The medical assistance eligibility, enrollment, and payment information system of the DMAS.

Patient Pay – Amount of money that some recipients are obligated to pay their attendant(s) for services each month as determined by their Local Department of Social Services' eligibility worker.

Plan Of Care – a written document prepared by the Services Facilitator outlining the objectives and activities planned to assist in meeting the recipient's service goals.

Prior Authorization - The act of authorizing specific services or activities before they are rendered or occur.

Protected Health Information (PHI) - Individually identifiable information, including demographics, which relates to a person's health, health care, or payment for health care. HIPAA protects individually identifiable health information transmitted or maintained in any form or medium.

Recipient – The person who is receiving Medicaid services and is actively enrolled in a waiver.

Representative - The person, a spouse, guardian, adult child, or parent of a minor child, who serves as the common-law employer for a recipient less than 18 years of age or if the recipient is unable to self-direct their own care.

Services Facilitator - The provider enrolled with DMAS, as a Services Facilitator is responsible for training and educating the recipient or the recipient's representative.

2. BACKGROUND

There are many Virginians who are elderly or have a disability and are able to direct their own care. Many will be able to achieve greater independence if they hire and manage their own attendants rather than depend solely on home health care/nurses/aides or family members.

Under the traditional system of personal care, elderly individuals and persons with disabilities are dependent upon the schedules of personal care agency personnel. Because of this, services are usually available only during limited hours (seldom at night or on the weekends). Individuals have needs throughout the entire week and greatly benefit from a system allowing the flexibility to obtain services when needed.

Consumer-Directed Services

Consumer-directed services through Medicaid-funded home and community-based waivers allow Medicaid recipients to serve as common-law employers, responsible for directly hiring, training, supervising and firing their attendants. For recipients who are minors or who are not able to self-direct their own attendants, a representative (as defined in the waiver manuals) is also eligible to act as the common-law employer on the recipient's behalf. Consumer-directed services are offered in the HIV/AIDS, EDCD, DD, and MR Waivers. Fact sheets on each of these waivers may be found in Attachment A.

Consumer-direction is offered through the following home and community-based services:

- *Personal Care Services*
Personal care services are long-term maintenance or support services that are health-related and enable a recipient to remain at or return home to the community rather than enter an institutional setting. Examples of personal care services include assistance with eating, bathing, dressing, personal hygiene, access to the community, preparation of meals, assisting with self-administered medication and/or other medical needs, monitoring health status and physical condition, and housekeeping chores for the recipient.
- *Respite Services*
Respite services are provided on an episodic or routine basis because of the need for relief or absence of unpaid persons residing with the recipient who normally provide the care. Recipients can receive up to 720 hours of respite per calendar year.
- *Companion Services*
Companion services are non-medical care, supervision and socialization provided to a recipient who is 18 years of age and older. Companions may assist or supervise the recipient with such tasks as meal preparation, community access, laundry and shopping and may also perform light housekeeping tasks. This service does not entail hands-on nursing or personal care.

Attendants providing consumer-directed services are selected and supervised by the Medicaid recipients. Attendants are subject to federal and state tax employment withholdings as domestic workers, working for household employers.

Each attendant hired by the recipient receiving waiver services will meet the following DMAS qualifications:

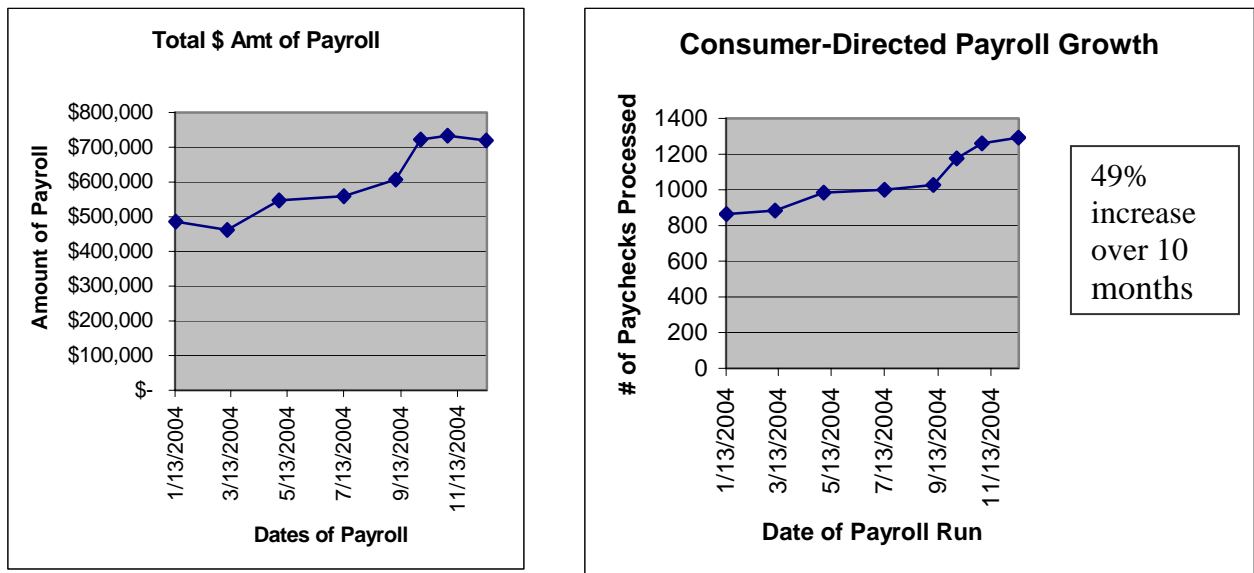
- Be 18 years of age or older;
- Possess basic math, reading, and writing skills in the English language;
- Have the required skills to perform services as specified in the recipient's plan of care;
- Possess a valid Social Security number;
- Be eligible for employment in the United States;
- Submit to a criminal history record check. For consumer-directed services, the attendant will not be compensated for services provided to the recipient if the record check verifies the attendant has been convicted of barrier crimes that are described in state regulations.
- Be willing to attend/receive training at the recipient's request; and
- Understand and agree to comply with all policies and requirements stated in the appropriate waiver manual.

An attendant cannot be a parent of a minor or a spouse of a recipient receiving Medicaid waiver services. Other family members may provide services only if there is no one else willing and able to provide the care and there is written documentation by the recipient to support this situation. This documentation will be approved by the Services Facilitator in conjunction with DMAS and submitted with the employment packet.

Recipients participating in consumer-directed services will receive training on their role as a common-law employer from an enrolled Medicaid services facilitator. The Services Facilitator assists the recipient as needed to develop an individualized service plan that addresses the recipient's needs at home, work, and/or in the community. Services Facilitators do not supervise the attendants providing the services. Supervision is conducted by the recipient (or person

directing the care) as specified in the recipient's plan of care. Services Facilitator provides employee management training to the Medicaid recipient submits criminal record checks on attendants and provides support in consumer-directed service delivery. A criminal record check will be completed by the attendant and services facilitator and submitted to the State Police in the county or city of the attendant's residency. The cost will be reimbursed by DMAS according to the appropriate waiver manual. It will be submitted and returned within 30 days of the attendant's hire date. Attendants are reimbursed for care provided prior to the results of a criminal history record check. The Services Facilitator will notify the F/EA of any criminal record checks that result in termination of the attendant.

Trends in Virginia's Consumer-Directed Services Program



3. NATURE AND SCOPE OF SERVICES

The F/EA is required to ensure that attendants provide services to recipients receiving Medicaid consumer-directed services have completed the appropriate hiring paperwork, meet requirements for employment in the United States, receive accurate, timely payment for services rendered and have State and Federal income taxes and employment taxes withheld, filed and paid in an accurate and timely manner.

The successful F/EA will perform the following tasks that are described in detail in Section 4: "Technical Proposal Requirements":

- 4.1 Developing and Updating an Operations Manual
- 4.2 Obtaining Federal And State Approval To Be A Vendor Fiscal/Employer Agent (F/EA)
- 4.3 Processing Payroll
- 4.4 Developing, Implementing and Maintaining End Of Year Federal Tax Processes
- 4.5 Providing Dedicated Service Support
- 4.6 Developing, Implementing and Maintaining a Record Management Process
- 4.7 Staying Up-to-Date With Federal and State Rules and Regulations Regarding Vendor Fiscal/Employer Agents and Household Employers

- 4.8 Preparing and Submitting The Required Reports To State Government and Individuals/Representatives
- 4.9 Maintaining Confidentiality Of Protected Health Information (PHI);
- 4.10 Maintaining Adequate Staff And Facilities;
- 4.11 Developing, Implementing and Maintaining Automation of Systems
- 4.12 Demonstrating Connectivity To Medicaid Management Information System (MMIS)
- 4.13 Creating and Implementing Recipient Satisfaction Survey
- 4.14 Resolving Complaints And Maintaining Tracking System
- 4.15 Coordinating With DMAS, Community Programs, And Services Facilitators
- 4.16 Creating an Implementation Plan
- 4.17 Creating and Directing a Readiness Plan
- 4.18 Creating a Turnover Plan

The F/EA will ensure that all of these functions are performed properly and efficiently.

4. TECHNICAL PROPOSAL REQUIREMENTS

The F/EA will provide a detailed narrative on how it will develop and implement each of the required tasks listed in this section and how it will develop internal controls to ensure the tasks are being performed accurately and within stated time frames. The narrative will demonstrate that the F/EA has considered all of the requirements and developed an approach that will support a successful project. The description will correspond to the order of the tasks described herein.

The F/EA will perform all of these processes internally. The F/EA will be wholly responsible for the contract.

The F/EA will devise a transition plan that will allow for the exchange of information and data from the current F/EA without disruption to the program. The F/EA will ensure minimum disruption in services to recipients, attendants and Services Facilitators during the transition period.

4.1 Developing and Updating an Operations Manual

- 4.1.1 The F/EA will develop an operations manual detailing all system policies, procedures and internal controls to be used in delivering F/EA services. The manual will state timeframes for each procedure and internal control. This operations manual will be submitted to DMAS for review and approval at least 30 business days prior to the start of the contract. The F/EA will incorporate modifications required by DMAS within 10 business days of notification by DMAS. Any changes must be approved by DMAS prior to distribution or implementation. A F/EA will not begin operations without an approved operations manual.
- 4.1.2 This operations manual will be offered in electronic format and available to all F/EA staff. It will be incorporated into all training programs for new and existing staff. The operations manual will be reviewed and updated annually and whenever changes in operations are made. All changes must be approved by DMAS in advance of implementation.

4.2 Obtaining Federal And State Approval To Be A Vendor Fiscal/Employer Agent (F/EA)

IRS Form SS-4

- 4.2.1 The F/EA will have a system in place for obtaining a federal employer identification number (FEIN) for each recipient it represents and for maintaining copies of the IRS FEIN

- notification letter (or the FEIN if Agent did not get a letter from the IRS numbers) and the filed Form SS-4, *Request for FEIN* in the recipient's file.
- 4.2.2 The F/EA will have written policies and procedures with stated time frames for obtaining a federal employer identification number for each recipient it represents and for maintaining copies of the IRS FEIN notification letter (or the number if F/EA did not get a letter from the IRS numbers) and the filed Form SS-4, *Request for FEIN* in the recipient's file.
 - 4.2.3 The F/EA will have a system in place for retiring recipients' FEINs when they are no longer employers.
 - 4.2.4 The F/EA will have written policies and procedures with stated time frames for retiring recipients' FEINs when they are no longer employers.
 - 4.2.5 The F/EA will have internal controls documented and in place to monitor the FEIN process, including obtaining and retiring FEINs, to make sure that all recipients have FEINs and the relevant documentation is maintained in each recipient's file.

IRS Form 2678

- 4.2.6 The F/EA will have a system in place for preparing and submitting a signed IRS Form 2678: *Appointment of Agent Form and Request for Approval Letter* (multiple recipients may be listed on one letter) to the IRS for each recipient it represents.
- 4.2.7 A copy of the IRS Form 2678 and Request for Approval Letter will be maintained in each recipient's file.
- 4.2.8 The F/EA will receive written authorization from the IRS to be the Agent for each recipient it represents and have a copy of the written authorization in each recipient's file.
- 4.2.9 The F/EA will have written policies and procedures with stated time frames for submitting the IRS Form 2678 and Request for Approval to Be the Agent Letter to the IRS, receiving IRS approval and maintaining the relevant documentation on file.
- 4.2.10 The F/EA will have a system in place to revoke the IRS Form 2678 for each recipient it no longer represents in accordance with IRS requirements and to maintain the relevant documentation in each recipient's file.
- 4.2.11 The F/EA will have written policies and procedures with stated time frames for revoking the IRS Form 2678 with the recipient when the Agent no longer represents the recipient and for maintaining the relevant documentation in each recipient's file.
- 4.2.12 The F/EA will have internal controls documented and in place to monitor the IRS Form 2678, request for approval and revocation process in accordance with IRS requirements, that the F/EA has received approval to be the Agent for all recipients it represents and maintains all relevant documentation in each recipient's file.

IRS Form 8821

- 4.2.13 The F/EA will have a system in place to file a signed IRS Form 8821, *Tax Information Authorization* with the IRS for each recipient it represents in order to communicate with the IRS on the recipient's behalf regarding FUTA issues and to maintain copies of the Form in each recipient's file. (It is recommended that all Federal Forms the F/EA manages be listed on the IRS Form 8821).
- 4.2.14 The F/EA will have written policies and procedures with stated time frames for submitting initial IRS Forms 8821 to the IRS and for maintaining copies of the Form in each recipient's file.
- 4.2.15 The F/EA will have a system in place to file IRS Form 8821 renewals for each applicable recipient at the appropriate time.
- 4.2.16 The F/EA will have written policies and procedures with stated time frames for obtaining IRS Form 8821 renewals from the Service for each applicable recipient at the appropriate time.

- 4.2.17 The F/EA will have a system in place to revoke the IRS Form 8821 for each recipient when the Agent no longer represents the recipient and to maintain the relevant documentation in each recipient's file.
- 4.2.18 The F/EA will have written policies and procedures with stated time frames for revoking the IRS Form 8821 when the Agent no longer represents the recipient and for maintaining the relevant documentation in each recipient's file.
- 4.2.19 The F/EA will have internal controls documented and in place to monitor the process for obtaining, renewing and revoking IRS Forms 8821 and maintaining the relevant documentation in the recipient's file.

4.3 Processing Payroll

- 4.3.1 The F/EA will administer the payroll services throughout the state on behalf of all recipients who are authorized to participate in Medicaid consumer-directed services. The F/EA will manage employment documentation, payroll, and Federal and State tax responsibilities for the attendant of the common-law employer (recipient) hires directly.
- 4.3.2 The F/EA will submit a voucher to DMAS Fiscal Division and the contract monitor before 10:00 a.m. E.S.T. on the Wednesday following the payroll batch date. This voucher will detail the amount of payroll funds, including tax liabilities, per waiver that must be deposited into the CD-Services bank account (defined below).
- 4.3.3 Any payment reflected on the Attendant Payment Report that is not validated by an approved authorization must be refunded to the Department. The F/EA and/or the Department will advise the F/EA of any discrepancies. The F/EA will have thirty (30) days to justify and correct the discrepancy or reimburse the Department of any overpayments, if any and detail the credit on the next submitted voucher.
- 4.3.4 The Contractor shall comply with requirements of 42 C.F.R. Part 447, including, but not limited to the requirements for timely payment to attendants, set forth in 42 C.F.R. § 447.45.
- 4.3.5 The F/EA shall ensure that its vouchers for payroll funds from the Department are made timely, such that payroll checks/direct deposits are paid within prompt-pay requirements, as described in Section 4.3.4 of this RFP. The F/EA shall receive funds by electronic funds transfer. Submissions of voucher must occur prior to 10:00 a.m. E.S.T. on Wednesday following the payroll batch date payment of the voucher by electronic funds transfer payment would reflect the date of the Friday occurring two days after the Wednesday submission of the voucher.
- 4.3.6 Pass-through payment funds shall be maintained in a separate account, referred to herein as the CD-Services payroll payment account, from the F/EA's PMPM payment funds. Funds in the CD-Services payroll payment account can only be used for paying payroll, and Federal and State tax responsibilities for the attendant of the common-law employer (recipient) under this Contract pursuant to section 4.3.1, and cannot be pledged by Contractor or used to secure a loan, guaranty, debt or other obligation of the F/EA. The Department shall not be liable for over-draft charges or any other banking related charges assessed on the CD-Services payroll payment account. F/EA shall be responsible for submitting voucher information to the Department within the timeframe necessary to meet its obligations to pay payroll payments and Federal and State tax responsibilities within the prompt-pay processing requirements described in Section 4.3.4 and, with respect to Federal and State tax responsibilities, any other shorter timeframes required by applicable law. Any monetary charges, fees or penalties for claims not paid by the Contractor within prompt-pay claims processing requirements, as described in Section 4.3.4 of this RFP, shall be borne by and the sole obligation of the Contractor.

Recipient Enrollment Packets

- 4.3.7 The F/EA will develop a recipient enrollment packet that contains information about the Agent's services and operations (e.g., roles and responsibilities of the F/EA, recipient or representative), federal and state forms the recipient will complete, sign and return to the Agent to use Agent services (e.g., IRS Form SS-4, 2678, 8821) timesheets, pay schedule and other applicable consent and agreement forms.
- 4.3.8 The F/EA will have a system in place for producing and distributing the recipient enrollment packet within three business days of receiving a written request from the recipient's Services Facilitator. The F/EA will have a system in place for collecting, reviewing and processing the information contained in the recipient enrollment packet.
- 4.3.9 The F/EA will have written policies and procedures with stated time frames for producing, distributing, collecting, and processing the information contained in the recipient enrollment package.
- 4.3.10 The F/EA will have internal controls documented and in place to monitor the production, distribution, collection, and processing the information contained in the recipient enrollment packet.
- 4.3.11 The F/EA is responsible for receiving the current DMAS122 from the Services Facilitator for each recipient before payment is made to attendant(s). This form documents the amount of the attendant's wages the recipient's is obligated to pay each month.

Employment Packets

- 4.3.12 The F/EA will develop an employment packet for recipients' employees that contain all the required forms, information, applications, and agreements and consent documents needed to enroll attendants as recipients' employees (e.g., employment application, IRS Form W-4, state Form W-4, IRS Notice 797)
- 4.3.13 The F/EA will have a system in place to produce employment packets for recipient's employees containing all the required forms, information, applications, agreements and consent documents needed to enroll attendants as recipients' employees (e.g., employment application, IRS Form W-4, state Form W-4, IRS Notice 797).
- 4.3.14 The F/EA will have written policies and procedures with stated time frames for producing employment packets for recipient's employees contain all the required forms, information, applications, agreements and consent documents needed to enroll attendants as recipients' employees (e.g., employment application, IRS Form W-4, state version of a Form W-4, IRS Notice 797).
- 4.3.15 The F/EA will have internal controls documented and in place for monitoring the production of employment packets for recipient's employees containing all the required forms, information, applications, agreements and consent documents needed to enroll attendants as recipients' employees (e.g., employment application, IRS Form W-4, state version of a Form W-4, IRS Notice 797).
- 4.3.16 The F/EA will have a system in place to collect, process and maintain the required human resources documentation from recipients and attendants in order to process payroll for attendants.
- 4.3.17 The F/EA will have written policies and procedures with stated time frames for collecting, processing and maintaining the required human resources documentation from recipients and attendants in order to process payroll for attendants.
- 4.3.18 The F/EA will have internal controls documented and in place to monitor the collecting, processing and maintaining of the required human resources documentation from recipients and attendants in order to process payroll for attendants.

- 4.3.19 The F/EA will have a system in place to obtain an IRS Form W-4 from each attendant it processes payroll for and has a copy of the form maintained in the attendant's file.
- 4.3.20 The F/EA will have written policies and procedures with stated time frames for collecting, processing and maintaining IRS Forms W-4 for each attendant it performs payroll for.
- 4.3.21 The F/EA will have internal controls documented and in place to monitor the collecting, processing and maintaining of IRS Forms W-4 for each attendant it performs payroll for.
- 4.3.22 The F/EA will have a system in place to obtain an IRS Form W-5 from each eligible attendant it processes Federal Advanced EIC for and has a copy of the form maintained in each attendant's file.
- 4.3.23 The F/EA will have written policies and procedures with stated time frames for collecting, processing and maintaining IRS Forms W-5 for each applicable attendant.
- 4.3.24 The F/EA will have internal controls documented and in place to monitor the collecting, processing and maintaining of IRS Forms W-5 for each applicable attendant.
- 4.3.25 The F/EA will have a system in place for obtaining completed and signed state version of the Form W-4, when applicable, from each recipient it represents and for maintaining a copy in each recipient's file.
- 4.3.26 The F/EA will have a written policy and procedure for obtaining completed and signed state version of the Form W-4, when applicable, from each recipient it represents and for maintaining a copy in each recipient's file.
- 4.3.27 The F/EA will have an internal control documented and in place to monitor the receipt of completed and signed state version of the Form W-4, when applicable, from each recipient it represents and for maintaining a copy in each recipient's file.
- 4.3.28 The F/EA will have a system in place to verify attendant's citizenship and alien status by collecting and maintaining completed BCIS Form I-9 for every attendant it processes payroll for in each attendant's file.
- 4.3.29 The F/EA will have written policies and procedures with stated time frames for verify attendants' citizenship and alien status and for collecting and maintaining completed BCIS Form I-9 for each attendant it processes payroll for.
- 4.3.30 The F/EA will have an internal control documented and in place for monitoring the BCIS Form I-9 verification of attendants' citizenship and alien status process.
- 4.3.31 The F/EA will have system in place to pay attendants in compliance with federal and state Department of Labor wage and hour rules.
- 4.3.32 The F/EA will have a system in place to report new hires per state requirements.
- 4.3.33 The F/EA will have written policies and procedures with stated time frames for reporting new hires per state requirements.
- 4.3.34 The F/EA will have an internal control documented and in place to monitor the reporting of new hires per state requirements.
- 4.3.35 The F/EA is responsible for receiving, verifying and processing attendant employment packets. The F/EA will notify the recipient that the employment packet has been received and the status of the employment packet within three business days of receipt. If the packet is not complete then the F/EA will notify the recipient within five business days of receipt that their attendant's employment packet is incomplete. The F/EA is responsible for receipt of these forms.
- 4.3.36 If an employment packet is received prior to the recipient's authorization, the employment packet will be processed and kept until notification of authorization is received.
- 4.3.37 DMAS will approve all changes or development of new forms prior to implementation.

Authorizing Payments

- 4.3.38 Prior to authorizing payment to an attendant, the employment packet will be completed accurately and remain on file at the F/EA. The recipient, attendant and Services Facilitator will also have signed the application that clearly expresses the aspects of the employment relationship.
- 4.3.39 Prior to authorizing payment to an attendant, the F/EA is required to verify through a download from the MMIS system that the recipient has a current authorization for consumer-directed services and that they are actively enrolled in a waiver.

Time Sheets

- 4.3.40 It is the responsibility of the recipient to make sure that the bi-weekly time sheet is filled out completely, signed and sent to the F/EA by the end of business, on the third business day following the end of the pay period. (See Attachment C for the Pay Schedule for 2005 & 2006)
- 4.3.41 The F/EA will receive time sheets that identify hours worked by the attendant for the recipient. The F/EA will maintain up-to-date authorization amounts through the download from MMIS to determine that the number of hours claimed for payment is authorized.
- 4.3.42 The F/EA will have a system in place to respond and track occurrences of time sheet(s) over billing and timesheet(s) that cannot be paid due to late arrival, missing or erroneous information.
- 4.3.43 The F/EA will have written policies and procedures with stated time frames for responding and tracking of occurrences of time sheet(s) over billing and timesheet(s) that cannot be paid due to late arrival, missing or erroneous information.
- 4.3.44 The F/EA will have an internal control documented and in place to monitor the responding and tracking of occurrences of time sheet(s) over billing and timesheet(s) that cannot be paid due to late arrival, missing or erroneous information.
- 4.3.45 The F/EA will be responsible for processing time sheets that are corrected and returned to the F/EA with the next scheduled payroll batch run.

Deductions

- 4.3.46 The F/EA will prepare, sign, and mail paychecks or perform electronic direct deposit of funds, by the seventh business day following the end of the pay period.
- 4.3.47 If the recipient has a patient pay amount that is designated to consumer-directed services, it will be deducted from the net wages of the attendant(s) on the pay period that includes the first day of each month. The total patient pay amount will be deducted from the attendant(s)' pay before any DMAS funds are used to pay for services.
- 4.3.48 If the patient pay deduction generates a zero or negative net earnings then the F/EA will send a payroll stub indicating the hours worked deduction and net earnings.

Reconcile

- 4.3.49 The F/EA will establish an acceptable procedure for dealing with improperly cashed or issued checks, stop payment on checks and for re-issuance of lost checks or improperly issued checks at no expense to DMAS. The F/EA will maintain a history of these transactions. DMAS will not be liable for any overdrafts or charges that result in the processing of payroll.
- 4.3.50 The F/EA will reconcile payroll differences and unusual items with designated DMAS staff and provide a history of all reconciliation and items discussed with DMAS.
- 4.3.51 The F/EA will send a copy of the monthly statement from the dedicated payroll bank account to the Department.
- 4.3.52 The F/EA will establish and communicate to the DMAS a procedure for investigation and resolution of un-cashed checks. This procedure should ensure due diligence is exercised in accordance with section 55-210.12 of the Code of Virginia. Any un-cashed checks that

cannot be resolved within one year of issue will be reportable under the Virginia Unclaimed Property Act (Section 55-210.1-55.210.30 of the Code of Virginia). The F/EA will submit to DMAS a list of checks reportable under the Virginia Unclaimed Property Act by September 1 of each year along with the funds associated with these checks. The DMAS will prepare the annual filing of unclaimed property with the Commonwealth of Virginia.

Withholdings, Reporting and Statements

- 4.3.53 The F/EA will have a system in place for withholding and filing IRS Forms 941 (FICA – Medicare and Social Security taxes and federal income tax withholding) quarterly in the aggregate with its separate FEIN for all recipients it represents and maintain a copy of each IRS Form 941 filed in the F/EA's files.
- 4.3.54 The F/EA will have written policies and procedures with stated time frames for withholding and filing IRS Forms 941 (FICA – Medicare and Social Security taxes and federal income tax withholding) quarterly in the aggregate using the F/EA's separate FEIN for all recipients it represents and maintain a copy of each IRS Form 941 filed in the F/EA's files.
- 4.3.55 The F/EA will have internal controls documented and in place for monitoring the withholding and filing IRS Forms 941 (FICA – Medicare and Social Security taxes and federal income tax withholding) quarterly in the aggregate using the F/EA's separate FEIN for all recipients it represents and maintain a copy of each IRS Form 941 filed in the F/EA's files.
- 4.3.56 The F/EA will have a system in place for paying FICA and federal income tax withholding in the aggregate for all recipients it represents using the F/EA's separate FEIN and for maintaining relevant documentation in the F/EA's files.
- 4.3.57 The F/EA will have written policies and procedures with stated time frames for paying FICA and federal income tax withholding in the aggregate for all recipients it represents using the F/EA's separate FEIN and for maintaining relevant documentation in the F/EA's files.
- 4.3.58 The F/EA will have internal controls documented and in place for monitoring the payment of FICA and federal income tax withholding in the aggregate for all recipients it represents using the F/EA's separate FEIN and maintenance of relevant documentation in the F/EA's files.
- 4.3.59 The F/EA will have a system in place for withholding and filing an IRS Form 940 for each recipient it represents using the recipient's FEIN annually in an accurate and timely manner and maintains the relevant documentation in the F/EA's files.
- 4.3.60 The F/EA will have written policies and procedures with stated time frames for withholding and filing an IRS Form 940 for each recipient it represents using the recipient's FEIN annually and maintains the relevant documentation in the F/EA's files.
- 4.3.61 The F/EA will have internal controls documented and in place to monitor the withholding and filing of an IRS Form 940 for each recipient it represents using the recipient's FEIN and the maintenance of relevant documentation in the F/EA's files.
- 4.3.62 The F/EA will have a system in place for paying FUTA for each recipient per IRS depositing rules and for maintaining the relevant documentation in the F/EA's files.
- 4.3.63 The F/EA will have written policies and procedures with stated time frames for paying FUTA for each recipient per IRS depositing rules and for maintaining the relevant documentation in the F/EA's payroll files.
- 4.3.64 The F/EA will have internal controls documented and in place to monitor the payment of FUTA for each recipient it represents per IRS depositing rules and maintaining relevant documentation in the F/EA's files.

- 4.3.65 The F/EA will have a system in place to manage Federal Advanced Earned Income Credit (EIC) for each eligible attendant in an accurate and timely manner and to maintain the relevant documentation in the F/EA's files.
- 4.3.66 The F/EA will have written policies and procedures with stated time frames for managing Federal Advanced EIC for each eligible attendant in an accurate and timely manner and maintaining the relevant documentation in the F/EA's files.
- 4.3.67 The F/EA will have an internal control documented and in place to monitor the managing of Federal Advanced EIC for each eligible attendant in an accurate and timely manner and maintaining the relevant documentation in the F/EA's files.
- 4.3.68 The F/EA will have a system in place for obtaining the appropriate state employer registration numbers for income and unemployment tax filing and payment purposes for all recipients' it represents and maintaining the relevant documentation in the F/EA's files.
- 4.3.69 The F/EA will have written policies and procedures with stated time frames for obtaining state employer registration numbers for state income and unemployment tax withholding, filing and payment and maintaining the relevant documentation in the F/EA's files.
- 4.3.70 The F/EA will have internal controls documented and in place to monitor the State employer registration process for state income tax and unemployment tax and the maintenance of relevant documentation in the F/EA's files.
- 4.3.71 The F/EA will have a system in place for withholding and filing state income tax using recipient State registration number for all attendants per state requirements and for maintaining the relevant documentation in the F/EA's files.
- 4.3.72 The F/EA will have written policies and procedures with stated time frames for withholding and filing state income taxes using State registration number for each recipient-employer per state requirements and for maintaining the relevant documentation in the F/EA's files.
- 4.3.73 The F/EA will have internal controls documented and in place to monitor the withholding and filing of state income taxes for each recipient-employer per state requirements and the maintaining of relevant documents in the F/EA's files.
- 4.3.74 The F/EA will have a system in place for paying state income tax withholding for each attendant per state payment schedule and for maintaining the relevant documentation in the F/EA's files.
- 4.3.75 The F/EA will have written policies and procedures with stated time frames for paying state income tax using recipient State registration number withholding for each attendant per state payment requirements and maintaining the relevant documentation in the F/EA's files.
- 4.3.76 The F/EA will have an internal controls documented and in place to monitor the paying of state income tax using recipient State registration number withholding for each attendant per state payment requirements and the maintaining of relevant documentation in the F/EA's file.
- 4.3.77 The F/EA will have a system in place for withholding and filing state unemployment insurance tax individually for each recipient it represents using the recipient's FEIN and /or his or her state employer registration number per state requirements and for maintaining the relevant documentation in the F/EA's files.
- 4.3.78 The F/EA will have written policies and procedures with stated time frames for filing state unemployment insurance taxes individually for each recipient it represents using the recipient's FEIN and/or his or her state employer registration number per state requirements and maintaining the relevant documentation in the F/EA's files.
- 4.3.79 The F/EA will have internal controls documented and in place monitoring the filing of state unemployment taxes individually for each recipient it represents using the recipient's FEIN and /or state employer registration number per state requirements and maintaining the relevant documentation in the F/EA's files.

- 4.3.80 The F/EA will have a system in place for paying state unemployment taxes for each recipient-employer per state payment schedule and for maintaining the relevant documentation in the F/EA's files.
- 4.3.81 The F/EA will have written policies and procedures with stated time frames for paying state unemployment taxes for each recipient-employer per state payment schedule and maintaining the relevant documentation in the F/EA's files.
- 4.3.82 The F/EA will have internal controls documented and in place to monitor the paying of state unemployment taxes for each recipient-employer per state payment schedule and maintaining the relevant documentation in the F/EA's files.
- 4.3.83 The F/EA will a system in place for managing the application of all garnishments, levies and liens on attendants' payroll checks in an accurate and timely manner and for maintaining the relevant documentation in the F/EA's files.
- 4.3.84 The F/EA will have written policies and procedures with stated time frames for managing the application of all garnishments, levies and liens on attendants' payroll checks in an accurate and timely manner and for maintaining the relevant documentation in the F/EA's files.
- 4.3.85 The F/EA will have an internal control documented and in place to monitor the accuracy and timeliness of the application of garnishments, levies and liens on attendants' payroll checks in an accurate and timely manner and for maintaining the relevant documentation in the F/EA's files.
- 4.3.86 The F/EA will have a system in place to pay recipients' attendants within the time period required by the State Department of Labor (e.g., per State "Payday" requirement).
- 4.3.87 The F/EA will have written policies and procedures with stated time frames to pay recipients' attendants within the time period required by the State Department of Labor (e.g., State "Payday" requirement).
- 4.3.88 The F/EA will have an internal control documented and in place to monitor the paying of recipients' attendants within the time period required by the State Department of Labor (e.g., State "Payday" requirement).
- 4.3.89 The F/EA will have a system in place for processing attendant's direct deposit.
- 4.3.90 The F/EA will have written policies and procedures with stated time frames for processing direct deposit and for maintaining the relevant documents in the F/EA's files.
- 4.3.91 The F/EA will have an internal control documented and in place to monitor the direct deposit process.
- 4.3.92 The F/EA will be knowledgeable of all current Federal and State laws and regulations relevant to these responsibilities.

4.4 Developing, Implementing and Maintaining End Of Year Federal Tax Processes

- 4.4.1 The F/EA will have a system in place for refunding over collected FICA to applicable recipient-employers and attendants in accordance with the December 18, 2000 IRS letter and for maintaining the relevant documentation in the F/EA's files.
- 4.4.2 The F/EA will have written policies and procedures with stated time frames for refunding over collected FICA to applicable recipient-employers (or state or county government) in accordance with the December 18, 2000 IRS letter and employees and maintaining the relevant documentation in the F/EA's files.
- 4.4.3 The F/EA will have internal controls documented and in place to monitor the refunding of over collected FICA to applicable recipient-employers (or state or county government) in accordance with the December 18, 2000 IRS letter and employees and maintaining the relevant documentation in the F/EA's files.
- 4.4.4 The F/EA will have a system in place for preparing and distributing IRS Forms W-2 for recipients' attendants per IRS instructions for agents, electronic/magnetic filing when

- processing 250 or more IRS Forms W-2, and maintaining the relevant documentation in the F/EA's files.
- 4.4.5 The F/EA will have written policies and procedures with stated time frames for preparing and distributing IRS Forms W-2 for recipients' attendants in accordance with IRS instructions for agents, electronic/magnetic filing when processing 250 or more IRS Forms W-2, and maintaining the relevant documentation in the F/EA's files.
 - 4.4.6 The F/EA will have a system in place to prepare and distribute IRS Forms W-3 in the aggregate for all recipients the Agent represents when applicable per IRS instructions and maintaining the relevant documentation in the F/EA's files.
 - 4.4.7 The F/EA will have written policies and procedures with stated time frames for preparing and distributing IRS Forms W-3 in the aggregate for all recipients the Agent represents when applicable per IRS instructions and maintaining the relevant documentation in the F/EA's files.
 - 4.4.8 The F/EA will have internal controls documented and in place to monitor the preparation and distribution of IRS Form W-2 and W-3 in accordance with IRS instructions for agents and maintaining the relevant documentation in the F/EA's files.
- 4.5 **Providing and Monitoring a Dedicated Service Support System**
- 4.5.1 The F/EA will establish a dedicated service support system to respond to all inquiries from recipients, attendants, and services facilitators. Professional, prompt, and courteous customer service will be a high priority. All components of the dedicated service support system will be approved by DMAS prior to implementation. The F/EA will have a phone system that allows for the DMAS Contract Monitor to monitor phone calls historically and in real time. The Dedicated Service Support System must be located within the continental United States.
 - 4.5.2 Because the dedicated service support system performance is critical to the success of this project, the F/EA shall describe in detail how it will train staff to perform their duties accurately and efficiently and how it will monitor these standards and perform corrective actions when necessary. Additionally, in response to this RFP, the F/EA shall submit call center performance data for contracts of a similar scale as outlined in this RFP.

Responding to telephone calls:

- 4.5.3 The F/EA will have a toll-free telephone line that will be staffed to receive consumer-directed telephone calls during the hours of 8:00 AM to 5:00 p.m. E.S.T. Monday-Friday, except national holidays with a voice mailbox for after hours. If possible the current telephone numbers for consumer-directed payroll services at DMAS should be transferred by the F/EA to provide seamless transition of telephone calls.
- 4.5.4 The contractor shall have a telephone system, which includes voice mail capability to answer consumer-directed payroll/employment calls received after hours or overflow calls from the queue. The F/EA shall return all voice mail calls within one working day.
- 4.5.5 All calls will be returned by the end of the next business day. A demonstration of the F/EA's telephone system and staffing capability will be required as part of the readiness review at least 30 days prior to the effective date of implementation.
- 4.5.6 The F/EA will establish and maintain adequate staffing to ensure that the telephone staff treat all callers with dignity and respect the caller's right to privacy and confidentiality. Staff will be located in the continental United States, and, preferably, in Virginia.
- 4.5.7 Develop policies and procedures with stated time frames that emphasize the application of the philosophy of consumer-direction and being culturally sensitive in all business practices in order to communicate effectively with a diverse population of participants of all ages and with a variety of needs, disabilities and chronic conditions.

- 4.5.8 The dedicated service support staff will be able to communicate with recipients whose primary language is not English. The recipient or attendant cannot be charged for translator services. Customer service representatives will be able to communicate effectively by voice and TTY with recipients who have disabilities.
- 4.5.9 The F/EA agrees to relinquish ownership to DMAS of the toll free numbers upon contract termination. The F/EA will have written policies and procedures with stated time frames that describe the components (will include a call log) of its dedicated service support system.
- 4.5.10 The F/EA will have internal controls documented and in place to monitor the operation of its service support system.

Automated Communications

- 4.5.11 The F/EA will provide a secure, Health Insurance Portability and Accountability Act (HIPAA) compliant electronic mail (e-mail) system internally as well as with DMAS.
- 4.5.12 The F/EA will provide a website that provides information about Fiscal/Employer Agent services as well as Virginia Medicaid policies and procedures with stated time frames that have been put in place as a result of the contract. The site will enable users to download employment packet forms, pay schedules, timesheets, tax forms and provide step-by-step directions for the completion of these forms. The website will be accessible to recipients with disabilities. There will be customer service/technical assistance telephone availability during business hours.

Information Distribution

- 4.5.13 Provide a brochure, approved by DMAS, which will be distributed annually by the F/EA and contain information about the payroll process to recipients and services facilitators.
- 4.5.14 Written material will be written at the fourth grade literacy level and be available in Spanish, and alternative formats for individuals with disabilities.
- 4.5.15 The F/EA will conduct training sessions for all services facilitators on how to educate the recipients regarding enrollment packets, employment packets and their individual roles and responsibilities related to payment for services.
- 4.5.16 The F/EA will develop training materials to inform and educate recipients regarding enrollment packets, employment packets and their individual roles and responsibilities related to payment for services. All materials will be approved by DMAS prior to dissemination.

4.6 Developing, Implementing and Maintaining a Record Management Process

- 4.6.1 The F/EA will have a system in place for establishing and maintaining current recipient, attendant and F/EA files in a secure and confidential manner as required by federal and state rules and regulations (e.g., meet any applicable HIPAA requirements, etc.).
- 4.6.2 The F/EA will have written policies and procedures with stated time frames documentation for establishing and maintaining archived recipient, attendant and F/EA files in a secure and confidential manner and for the prescribed period of time as required by federal and state rules and regulations (e.g., federal and state record retention rules and any applicable HIPAA requirements, etc.).
- 4.6.3 The F/EA will have internal controls documented and in place to monitor the establishment and maintenance of current and archived recipient, attendant and F/EA files.
- 4.6.4 All time sheets, employment packets, attendant files and other files that DMAS provides to the F/EA during transition and implementation of the contract will be returned to DMAS

when the contract ceases. These files will be the sole property of DMAS. All reports, analyses, and/or publications developed under this contract will be the property of DMAS.

4.7 Staying Up-to-Date With Federal and State Rules and Regulations Regarding Vendor Fiscal/Employer Agents and Household Employers

- 4.7.1 The F/EA will have a system in place for reviewing and updating all IRS forms, instructions, notices and publications related to Fiscal/Employer Agents and preparing and filing federal taxes on behalf of household employers/recipients it represents at www.irs.gov.
- 4.7.2 The F/EA will have written policies and procedures with stated time frames for reviewing and updating all IRS forms and instructions, notices and publications related to Fiscal/Employer Agents and preparing and filing federal taxes on behalf of household employers/recipients it represents at www.irs.gov.
- 4.7.3 The F/EA will have an internal control documented and in place to monitor the updating of all IRS forms and instructions, notices and publications related to Fiscal/Employer Agents and preparing and filing federal taxes on behalf of household employers/recipients it represents at www.irs.gov.
- 4.7.4 The F/EA will have a system in place for reviewing and updating all state tax forms, instructions and manuals related to Fiscal/Employer Agents and preparing and filing state taxes on behalf of household employers/recipients it represents at the appropriate state web sites.
- 4.7.5 The F/EA will have written policies and procedures with stated time frames for reviewing and updating all state tax forms, instructions related to Fiscal/Employer Agents and preparing and filing state taxes on behalf of household employers/recipients it represents the appropriate state web sites.

4.8 Preparing and Submitting The Required Reports To State Government and Individuals/Representatives

- 4.8.1 The F/EA will have a system in place to prepare and submit the required reports to the state government and individuals/representatives.
- 4.8.2 The F/EA will have a written policies and procedures with stated time frames for preparing and submitting the required reports to the state government and individuals/representatives.
- 4.8.3 The F/EA will have internal controls documented and in place to monitor the preparation and submission of required reports to the state government and individuals/representatives.
- 4.8.4 The F/EA will prepare and submit a bi-weekly accurate accounting of all payments made to attendants for services including a report of withholdings. This report will be provided in electronic and paper format and attached to the F/EA's invoice for services and will be submitted to the contract monitor at DMAS immediately when processing is completed.
- 4.8.5 The F/EA will provide the recipient or representative with quarterly and annual summaries of payments and deductions made on the recipient's behalf. These reports will be mailed to each recipient or representative and will include a letter asking the recipient or representative to identify any discrepancies with their personal records and to report those discrepancies to the F/EA within ten business days. The F/EA will investigate each discrepancy to resolution and report to the contract monitor.
- 4.8.6 DMAS reserves the right to change reporting requirements and request reasonable ad hoc reports with sufficient notice. Reports will include, but not be limited to, dedicated service support system statistics, employment packets, timesheets, payments, recipient data, number and type of complaints and reports that track the payroll services

4.8.7 The F/EA shall also provide such additional reports, routine and/or ad hoc in relation to the RFP (and resulting contract) requirements in a format as agreed upon by DMAS and the F/EA. DMAS shall incur no expense in the generation of such reports. Additionally, the F/EA shall make revisions in the data elements or format of the reports required in this RFP and resulting contract upon request of DMAS and without additional charge to DMAS. DMAS shall provide written notice of such requested revisions of format changes in a notice of required report revisions. F/EA shall maintain a data gathering and storage system sufficient to meet the requirements of this RFP.

4.9 Maintaining Confidentiality Of Protected Health Information (PHI)

4.9.1 Ensure that access to Medicaid and non-Medicaid Protected Health Information (PHI) will be limited to the F/EA. The F/EA will take appropriate measures to safeguard all PHI and protect unauthorized disclosure of the Medicaid and non-Medicaid PHI in its possession. The F/EA will establish internal policies to ensure compliance with all Federal and State laws and regulations regarding confidentiality including, but not limited to, 42 CFR § 431, Subpart F, the Health Insurance Portability and Accountability Act (HIPAA) and Virginia Code Section 2.1-377, et. seq. In no event will the F/EA provide, grant, allow, or otherwise give, access to Medicaid and non-Medicaid PHI to anyone without the express written permission of the Director of DMAS. The F/EA understands that DMAS PHI may not be supplied until all elements of the DMAS Business Associate Agreement have been satisfactorily executed. The F/EA assumes all liabilities under both State and Federal law in the event that the PHI is disclosed in any manner. The F/EA will comply with all Federal regulations with regards to handling, processing, providing safeguards as directed by DMAS in use of Protected Health Information. This includes but is not limited to the Health Insurance Portability and Accountability Act (HIPAA) of 1996 final regulations. The F/EA will achieve and sustain compliance requirements as provided by the completed DMAS Business Associate Agreement at no additional cost to DMAS.

4.9.2 DMAS and the F/EA, as defined in section 160.103 of the Final HIPAA Privacy Rule, will enter into this Business Associate Agreement to comply with the HIPAA Privacy regulation requirements that were effective April 14, 2003.

4.9.2.1 The F/EA will not use Protected Health Information (PHI) other than as expressly permitted, or as required by law.

4.9.2.2 The F/EA will ensure that any agents to whom it provides PHI received from DMAS agree in writing to the same restrictions, terms, and conditions relating to PHI that apply to the F/EA.

4.9.2.3 The F/EA will report to DMAS immediately upon discovery, any use or disclosure of PHI made in violation of agreement or any law. The F/EA will implement and maintain sanctions for any employee, or agent who violates the requirements of agreement or the HIPAA privacy regulations.

4.9.2.4 The F/EA will make an individual's PHI available to DMAS immediately upon an individual's request for such information as notified by DMAS.

4.9.2.5 The F/EA will make PHI available for amendment and correction and will incorporate any amendments or corrections to PHI immediately upon notification by DMAS.

4.9.2.6 DMAS may immediately terminate a Business Associate agreement with the F/EA if DMAS determines that the F/EA has violated a material term of the agreement.

4.9.3 The F/EA will submit a written Business Associate Data Security Plan within thirty-days of the execution of a Business Associate Agreement. The Business Associate Data Security Plan will describe the manner in which the F/EA will use DMAS' data and the procedures the F/EA will employ to secure the data.

- 4.9.4 Upon the F/EA receiving any requests for the Medicaid information from any individual, entity, corporation, partnership, media or otherwise, the F/EA will notify DMAS within one business day. The F/EA will ensure that there will be no disclosure of the data except through DMAS. DMAS will treat such requests in accordance with DMAS policies.
- 4.9.5 In cases where the information requested by outside sources is releasable under the Freedom of Information Act (FOIA), as determined by DMAS, the F/EA agrees to copy and invoice such documents at the F/EA's expense. All FOIA requests received by the F/EA will be reported to DMAS within one business day. FOIA information will be released by DMAS.

4.10 Maintaining Adequate Staff and Facilities

- 4.10.1 The F/EA will maintain a primary business office in the State of Virginia that will be the location for operations stated in this RFP.
- 4.10.2 The F/EA will maintain office hours from 8:00 AM to 5:00 PM (Eastern time) Monday-Friday except national holidays. The F/EA will have the capacity to send and receive facsimiles and e-mail at the central and any branch business office at all times. The F/EA will provide an administrative telephone number that will enable DMAS staff to reach the Project Director staff directly. The F/EA will have the capacity to reproduce documents as requested by DMAS at the expense of the F/EA.
- 4.10.3 The F/EA will hire, subject to DMAS approval, a Project Director for this contract who has day-to-day authority to manage the overall operations. The Project Director will be on-site in the business office location during regular working hours and be available to DMAS by telephone during regular business hours. The F/EA will advise DMAS the percentage of time the Project Director devotes to the DMAS contract.
- 4.10.4 The F/EA will maintain sufficient levels of staff including supervisory and support staff with appropriate training, work experience, and expertise to perform all contract requirements on an ongoing basis. Telephone and administrative personnel will be familiar with consumer-directed services provided under all Medicaid Waivers.
- 4.10.5 The F/EA will supply sufficient separate office space adjoining or adjacent to the F/EA's immediate offices for the DMAS contract monitor. This space will include a separate office with door, all necessary office equipment the contract monitor requires to operate from the F/EA's location.
- 4.10.6 All records pertaining to the contract will be housed at the designated central business office approved by DMAS and will be readily available for review at the request of DMAS or its authorized representatives. Records will be stored in an orderly and secure manner on site. These records will be maintained during the course of the contract and for a period of six years thereafter unless an audit is in progress and are the property of DMAS. Records may be purged and stored at the State Library of Virginia and labeled according to DMAS policy.
- 4.10.7 All records pertaining to the contract will be current, within one business week at all times.

4.11 Developing, Implementing and Maintaining Automation of Systems

- 4.11.1 The F/EA will have systems in place that utilize automation to ensure the timeliness and accuracy of data entry and storage. These systems will be capable of allowing for future growth in service volume.
- 4.11.2 The F/EA will maintain a computer database sufficient to meet the needs of the Consumer-Directed Payroll Services as determined by DMAS. DMAS will provide an export file of current recipient, attendant, Services Facilitator and payroll tables. It is the responsibility of the F/EA to create a database that accepts the format of the DMAS export

file. Although the F/EA will house this database at their facility, DMAS will have access to the database and will own the information.

- 4.11.3 The F/EA is required to establish a Disaster Recovery Plan for restoring software and data files and hardware backup if management information systems are disabled so that continuation of payroll and invoice payment systems remain intact. The F/EA will have a duplicated server ready to take over at any time due to loss of electricity or breakdown.
- 4.11.4 The Contract Monitor and their supervisor will have connectivity to the database both at DMAS and at the F/EA's location.
- 4.11.5 For reporting purposes, format and data elements will conform to DMAS requirements. The F/EA will be responsible for all programming functions and costs associated with the design, maintenance or enhancements of the database.
- 4.11.6 The F/EA will demonstrate experience in data accumulation and in writing reports that are well organized, clear, concise and readable by laypersons.

4.12 **Demonstrating Connectivity To Medicaid Management Information System (MMIS)**

- 4.12.1 The F/EA will ensure that appropriate connectivity to the MMIS occurs and also ensure that the necessary equipment is purchased for the utilization of the MMIS. All expenses incurred in establishing connectivity between the F/EA and First Health Services Corporation (FHSC) will be the responsibility of the F/EA.

Authorization Data

- 4.12.2 The F/EA will "pull" the authorization data from the MMIS in a HIPAA compliant fashion either by dedicated data line FTP or secure FTP. The F/EA will be required to execute a trading partner agreement for EDI connection with FHSC. The F/EA will describe in detail which of the following four (4) options they will pursue for connectivity.

A) Private Connection

The DMAS MMIS fiscal agent's Phoenix Data Center (PDC) supports DS3 Frame Relay connections to two carriers (MCI Option 1 & AT&T). FHSC provides and maintains the shared access routers and local loops into the PDC. The F/EA maintains all connectivity/equipment at their location. The F/EA pays for the PVC between sites. If connectivity redundancy is required, the F/EA is allowed to establish connections to both carriers.

The F/EA can also deliver any router(s)/carrier(s) connectivity into the PDC at their own expense. Allowing for available bandwidth, FHSC can allow the F/EA's local loop to ride the PDC Private Sonet Ring. The F/EA is responsible for the maintenance of all supplied equipment. PDC staff will validate power and physical connectivity for the equipment.

B) Site to Site VPN

The Cisco 3060 VPN Concentrator located at PDC offers support for up to 5000 simultaneous IP Security (IPSec) sessions. The 3060 is a VPN platform designed for large organizations that require the highest level of performance and reliability and that have high-bandwidth requirements from fractional T3 through full T3/E3 or greater (100 Mbps maximum performance).

The F/EA can also deliver a VPN device to be hosted in an isolated "Extranet VLAN". VPN traffic will be tunneled through the Internet Firewall's to the VPN device for

decryption/delivery to the DMZ Firewall. The F/EA is responsible for the maintenance of all supplied equipment. PDC staff will validate power and physical connectivity for the equipment. A Site-to-Site IPSEC VPN can be established between the F/EA and the FHSC Cisco 3060 VPN concentrator. The VPN will secure all traffic passing between the sites. The Concentrator and Firewalls will restrict the physical access to only allowed hosts.

C) Secure FTP

The F/EA would also be able to access the FHSC Secure File Transfer Server over the Internet. This product supports the FTPS (SSL FTP/AUTH SSL) protocol to secure all communications between the F/EA and the server. An area on the server will be created for the F/EA to PUT and GET files. Files that the F/EA needs to upload to the Secure FTP server will be automatically be routed to their respective hosts without the partner's interaction.

As a prerequisite prior to establishing the Secure FTP communications, a trading partner agreement must be completed with FHSC.

FHSC supports Secure Sockets FTP over the Internet that complies with RFC 959, 1123, and 2228. The F/EA is required to use a 128-bit SSL client software package, at the F/EA's expense that supports passive mode. FHSC also supports PGP.

D) Connect Direct

The F/EA can support connection using a node on the Connect Direct network.

DMAS Access to F/EA Database

- 4.12.3 There will be no direct connection to DMAS from the F/EA. The F/EA will provide access to DMAS via 128-bit SSL web front end to the application (e.g., Secure CITRIX server). All application operations will be able to be done via a web browser from DMAS workstations. Therefore, the application will be web enabled.
- 4.12.4 The F/EA will be expected to provide DMAS with a written Security Plan that describes the use of data that will be transmitted to DMAS or FHSC or reside in the custody of the F/EA. FHSC may also require an executed HIPAA trading partner agreement with the F/EA.

DMAS Remote Access/Email Communications

- 4.12.5 The F/EA will provide SSL secure email access over the Internet between DMAS and the F/EA. No direct connection or VPNs to DMAS will be used for this purpose nor will DMAS use individual email certificates for its staff. Such secured email will only require DMAS staff to use a 128-bit SSL enabled web browser to access from the F/EA or send email to the F/EA. DMAS will provide no special application server(s) for this purpose on its side.
- 4.12.6 Remote access to MMIS and Email will be operational thirty-days prior to implementation.

4.13 Creating and Implementing a Recipient Satisfaction Survey

- 4.13.1 Annual Recipient Satisfaction Survey: The F/EA will conduct an annual consumer-directed services recipient (n=10% sample) recipient satisfaction survey. The survey will use sampling strategies and questions that are approved by DMAS. DMAS will receive the results of the recipient satisfaction survey in a comprehensive report and all completed surveys within 30 days following completion of the survey.

- 4.13.2 The F/EA will describe in detail its approach to and experience with recipient satisfaction surveys. The F/EA will detail its plans for surveying specific populations such as recipients with disabilities, family members of recipients, recipients that have primary language other than English and recipients' ability to respond to mail survey.
- 4.13.3 Quality Assurance Review: DMAS reserves the right to make anonymous and immediate quality assurance reviews on services under this contract. These reviews may be conducted in an anonymous manner and without advance notice.
- 4.13.4 The F/EA will have system in place to perform a quarterly quality assurance (QA) activity on a twenty-five percent sample of overall cases.
- 4.13.5 The F/EA will have written policies and procedures with stated time frames for performing a quarterly quality assurance (QA) activity on a twenty-five percent sample of overall cases.
- 4.13.6 The F/EA will have an internal control documented and in place for performing a quarterly quality assurance (QA) activity on a twenty-five percent sample of overall cases.
- 4.13.7 The F/EA will forward these QA reports to the DMAS contract monitor after each quarter.

4.14 Resolving Complaints And Maintaining A Tracking System

- 4.14.1 The F/EA is responsible for receiving and responding to all complaints about Fiscal/Employer Agent services from any source under this contract.

Written and Verbal Complaints

- 4.14.2 A complaint is defined as a verbal or written expression of dissatisfaction. The F/EA will attempt to respond verbally to the complainant within one business day of receipt. The F/EA will respond to written complaints in writing within five business days.

Complaint Handling

- 4.14.3 The F/EA will have system in place to for handling all complaints, including documentation requirements.
- 4.14.4 The F/EA will have written policies and procedures with stated time frames for handling all complaints, including documentation requirements.
- 4.14.5 The F/EA will have an internal control documented and in place for handling all complaints, including documentation requirements.

Complaint Log and Summary

- 4.14.6 The F/EA will maintain a log of all complaints, with documentation of the complaint and action(s) taken to resolve the complaint. The F/EA will compile a summary report and analyze complaints received on a monthly basis to determine quality of services to recipients. The F/EA will analyze the complaint data for quality improvement. The F/EA will send a summary report to DMAS on a monthly basis of complaints received and their resolution in accordance with the specifications and format approved by DMAS.

Liquidated Damages

- 4.14.7 The Department may impose liquidated damages upon reasonable determination that the Contractor fails to comply with its obligations under the RFP, provided, however, that the Department only impose those liquidated damages it determines to be appropriate for the deficiencies identified
- 4.14.8 When DMAS identifies that the specified processing time frames are not being met and a backlog has occurred as a result, liquidated damages will be assessed in the amount of up to \$1,000 per day for each and every calendar day of delay beyond the time specified; except that if the delivery be delayed by any act, negligence, or default on the part of the

Commonwealth, public enemy, war, embargo, fire, or explosion not caused by the negligence or intentional act of the Contractor or his supplier(s), or by riot, riot, sabotage, or labor trouble that results from a cause or causes entirely beyond the control or fault of the Contractor or his supplier(s), a reasonable extension of time as the procuring public body deems appropriate may be granted. Upon receipt of a written request and justification for any extension from the Contractor, the purchasing office may extend the time for performance of the Contract or delivery of goods herein specified, at the purchasing office's sole discretion, for good cause shown.

- 4.14.9 The F/EA shall be responsible for all fines and/or penalties assessed by agencies (i.e. IRS, etc.) based on the timeliness or accuracy of the F/EA duties.

4.15 Coordinating with DMAS, Community Programs, and Services Facilitators

- 4.15.1 The F/EA will attend all meetings with DMAS staff as requested by DMAS. Costs of attending meetings will be the F/EA's responsibility.
- 4.15.2 The F/EA will coordinate its efforts with other DMAS program entities and state agencies such as the Department of Mental Health, Mental Retardation and Substance Abuse Services, LDSS, Centers for Independent Living, Community Service Boards, DMAS preauthorization agents, regulatory and law enforcement entities, and services facilitators.

Administrative Costs

- 4.15.3 The F/EA will maintain detailed records documenting the administrative costs and expenses incurred pursuant to the contract, the provision of services under the contract, and complaints for the purpose of monitoring and evaluation by DMAS and other State and Federal personnel.

4.16 Creating an Implementation Plan

- 4.16.1 The F/EA will provide to DMAS a full implementation plan within two weeks of award. This plan includes:
- 4.16.1.1 Development of an operations manual;
 - 4.16.1.2 Obtaining Federal And State Approval To Be A Vendor Fiscal/Employer Agent
 - 4.16.1.3 Timeframe for securing enrollment packets and employment packets for all current employers and employees.
 - 4.16.1.4 Database development/modification to meet all requirements of this contract;
 - 4.16.1.5 Staff recruitment process and timeline for training of these staff;
 - 4.16.1.6 Development/modification of a dedicated service support;
 - 4.16.1.7 Development of a website;
 - 4.16.1.8 Recommended modifications to the current processes used by DMAS for payroll;
 - 4.16.1.9 Timeframe for computer networks to be installed and tested;
 - 4.16.1.10 Timeframe for training and securing the appropriate documentation for enrollment of recipients, employment of attendants and communicating with Services Facilitators and other stakeholders; and
 - 4.16.1.11 Development of quality assurance system to monitor requirements of this contract.

4.17 Creating and Directing a Readiness Review

- 4.17.1 The F/EA will complete all preparation and demonstrate to DMAS the functionality of systems and materials required for operation at least thirty days prior to the start of the contract. This review includes but is not limited to:
- 4.17.1.1 Operations manual

- 4.17.1.2 All automated processes
- 4.17.1.3 Databases
- 4.17.1.4 Telephone systems
- 4.17.1.5 Web-based systems
- 4.17.1.6 Remote access to MMIS
- 4.17.1.7 Status of enrollment packets and employment packets for all current employers and employees.

4.18 Creating a Turnover Plan

- 4.18.1 At the expiration of this Contract, or if at any time the Department desires a transition of all or any part of the duties and obligations of F/EA to the Department or to another vendor after termination or expiration of the Contract, the Department shall notify the F/EA of the need for transition. Such notice shall be provided at least **[sixty (60) calendar days]** prior to the date the Contract will expire, or at the time the Department provides notice of termination to F/EA, as the case may be. The turnover process will commence immediately upon such notification and shall, at no additional cost to the Department, continue past the date of Contract termination or expiration if, due to the actions or inactions of F/EA, the turnover process is not completed before that date.
- 4.18.2 If delays in the turnover process are due to the actions or inactions of the Department or the Department's newly designated vendor, the Department and F/EA will negotiate in good faith a contract for the conduct of and compensation for turnover of activities after the termination or expiration of the Contract. In the event that a subsequent F/EA is unable to assume operations on the planned date for transfer, the F/EA will continue to perform payroll services on a month-to-month basis for **[up to six months]** beyond the planned turnover date. The Department will withhold final payment to the F/EA until transition to the new F/EA is complete.
- 4.18.3 The F/EA shall be liable for all payroll claims incurred up to the date of termination.
- 4.18.4 The successful F/EA will develop a Turnover Plan, acceptable to DMAS in its sole discretion, within 180 days of award. The Turnover plan and any modifications or updates must be prior approved by DMAS. The Turnover Plan must be updated at least annually with the final update occurring when the contract has been in operation for two and one-half years. The objectives of the Turnover Plan are to provide for an orderly and controlled transition of the F/EA's responsibilities to a successor F/EA at the conclusion of the contract period and to minimize disruption of payroll services provided to recipients.
- 4.18.5 The Turnover Plan will include the tasks and subtasks for turnover, a schedule for turnover, operational resource requirements, training to be provided and transfer of data, documentation, files and other records. The plan will also address the transfer of any inventory of training materials; operations manual, brochures, pamphlets, and all other written materials developed in support of this RFP/Contract activity to DMAS. The Turnover Plan shall also provide for the transfer, to the DMAS, of any software licenses deemed reasonably necessary by DMAS for the orderly and controlled transition of the F/EA's responsibilities.

5. DMAS' RESPONSIBILITIES

- 5.1 A DMAS contractor may perform these activities.
- 5.2 Provide all policy interpretations regarding all policy issues.
- 5.3 Determine that applicants for Medicaid Waiver Programs meet all eligibility requirements. Eligibility data for all waivers will be entered in the DMAS database and the MMIS system. DMAS or the DMAS preauthorization agent will notify the F/EA of the recipient's name,

- Medicaid identification number, the date when authorization of service(s) begins and the number of hours the recipient is authorized to receive.
- 5.4 Notify recipients of program requirements, service hours authorized, cancellation or changes in services, recipient patient-pay requirements.
 - 5.5 Establish an hourly rate to be paid to attendants and provide that information to the F/EA. Notify F/EA of rate increases and their effective date.
 - 5.6 Provide the F/EA with sufficient bi-weekly funding via electronic transfer to cover the amount expended for Consumer-directed services to Medicaid Recipients in the consumer-directed programs.
 - 5.7 Provide a DMAS contact person for ongoing project management and contract performance monitoring.
 - 5.8 Review and approve any written communications to recipients, attendants, providers and others prior to release.

6. F/EA COMPENSATION

- 6.1 The F/EA will receive a capitated per member per month (PMPM) payment that covers a comprehensive set of fiscal agent/employer services. The F/EA will demonstrate the methodology and calculations used to determine the requested PMPM rate. The monthly capitated rate is based upon fiscal agent/employer expenditures and growth of consumer-directed services. Future adjustments to the PMPM may be requested and will be evaluated based on the Consumer Price Index or State Employee Pay Rate Increase whichever is less. Historical data from September 2004 through February 2005 is in Attachment G. The PMPM shall be payment in full, inclusive of all administrative costs, corporate overhead and profit for all services required under the RFP. A detailed budget will be included in the F/EA response.
- 6.2 DMAS will issue capitation payments on behalf of recipients at the rates established in this Contract and modified during the contract renewal process. The F/EA will accept the annually established capitation rate paid each month by the Department as payment in full for all services to be provided pursuant to this Contract and all administrative costs associated therewith, pending final recoupments, reconciliation, or liquidated damages. Any and all costs incurred by the F/EA in excess of the capitation payment will be borne in full by the F/EA.
- 6.3 Upon submission of a complete and accurate invoice, the F/EA will be reimbursed within thirty-days based on the prior month's valid recipient count.
- 6.4 Failure to calculate the adjusted PMPM according to contract requirements may result in a reduction in DMAS' reimbursement to the F/EA.
- 6.5 The payment of the invoice by the Department shall not prejudice the Department's right to object to or question any invoice or matter in relation thereto. Such payment by the Department shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- 6.6 The F/EA's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the Department, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for authorized services.
- 6.7 The Department reserves the right to deduct from amounts which are or shall become due and payable to the F/EA under this or any contract between the F/EA and the Commonwealth of Virginia any amounts which are or shall become due and payable to the Commonwealth of Virginia by the F/EA, including but not limited to interest earned on payroll and tax liabilities, payments not validated by an approved authorizations and liquidated damages assessed as described in Section 4 of this RFP.
- 6.8 The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

7. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

Each Offeror shall submit a Technical Proposal that the Offeror wants to serve as the fiscal agent and a separate Cost Proposal. The following describes the general requirements for each proposal and the specific requirements for the Technical Proposal.

General Requirements for Technical Proposals

7.1 Overview

- 7.1.1 The Technical Proposal shall be developed and submitted in accordance with the instructions outlined in this section. The Offeror's proposals shall be prepared simply and economically, and they shall include a straightforward, concise, through, detailed description of the Offeror's capabilities that satisfy the requirements of the RFP.
- 7.1.2 The proposals shall be organized in the order specified in this RFP. Failure to provide information required by this RFP may result in rejection of the proposal.

7.2 Binding of Proposal

- 7.2.1 The Technical Proposal shall be clearly labeled "Technical Proposal" on the front cover. The legal name of the organization submitting the proposal also shall appear on the cover of the Technical Proposal.
- 7.2.2 The proposals shall be typed, bound, page-numbered, single-spaced with a 12-point font on 8 1/2" x 11" paper with 1" margins and printed on one side only. Each copy of the Technical Proposal and all documentation submitted shall be contained in single three-ring binder volumes where practical. A tab sheet keyed to the Table of Contents shall separate each major section. The title of each major section shall appear on the tab sheet.
- 7.2.3 The Offeror shall submit an original and eight (08) copies of the Technical Proposal by the response date and time specified in this RFP. Each copy of the proposal shall be bound separately. This submission shall be in a sealed envelope or sealed box clearly marked "RFP 2005-05 Technical Proposal". In addition, the original shall be sealed separately and clearly marked "Original RFP 2005-05" and submitted by the response date and time specified in this RFP. The Offeror shall also submit one electronic copy (compact disc preferred) of their technical proposal in MS Word format (Microsoft Word 2000 or compatible format). In addition, the Offeror shall submit a redacted (proprietary and confidential information removed) electronic copy of their proposal.
- 7.2.4 The Offeror shall submit the Cost Proposal in a separate envelope clearly marked "RFP 2005-05 Cost Proposal". (see Attachment H)

7.3 Table of Contents

- 7.3.1 The proposals shall contain a Table of Contents that cross-references the RFP submittal requirements in Section 4: "Technical Proposal Requirements." Each section of the Technical Proposal shall be cross-referenced to the appropriate section of the RFP that is being addressed.

7.4 Submission Requirements

- 7.4.1 All information requested in this RFP shall be submitted in the Offeror's proposals. By submitting a proposal in response to this RFP, the Offeror certifies that all of the information provided is true and accurate.
- 7.4.2 All data, materials and documentation originated and prepared for the Commonwealth pursuant to this RFP belong exclusively to the Commonwealth and shall be subject to public inspection in accordance with the Virginia Freedom of Information Act.

- 7.4.3 Trade secrets or proprietary information submitted by an Offeror are not subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror shall invoke the protections of §2.2-4342(F) of the *Code of Virginia*, in writing, either before or at the time the data is submitted. The written notice shall specifically identify the data or materials to be protected and state the reasons why protection is necessary.
- 7.4.4 The proprietary or trade secret materials submitted shall be identified by some distinct method such as highlighting or underlining and shall indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information.
- 7.4.5 All information requested by this RFP on ownership, utilization and planned involvement of small businesses, women-owned businesses and minority-owned business shall be submitted with the Technical Proposal.

7.5 Transmittal Letter

- 7.5.1 The transmittal letter shall be on official organization letterhead and signed by the individual authorized to legally bind the Offeror to contract agreements and the terms and conditions contained in this RFP. The organization official who signs the proposal transmittal letter shall be the same person who signs the cover page of the RFP and Addenda.

At a minimum, the transmittal letter will contain the following:

1. A statement that the Offeror meets the required conditions to be an eligible candidate for the contract award including:
 - a) The Offeror must identify any contracts or agreements they have with any state or local government entity that is a Medicaid provider or Contractor and the general circumstances of the contract or agreement. This information will be reviewed by DMAS to ensure there are no potential conflicts of interest;
 - b) Offeror must be able to present sufficient assurances to the state that the award of the contract to the Offeror will not create a conflict of interest between the Contractor, the Department, and its subcontractors; and
 - c) The Offeror must be licensed to conduct business in the state of Virginia.
2. A statement that the Offeror has read, understands and agrees to perform all of the Contractor responsibilities and comply with all of the requirements and terms set forth in this RFP, any modifications of this RFP, the Contract and Addenda;
3. The Offeror's general information, including the address, telephone number, and facsimile transmission number;
4. Designation of an individual as the authorized representative of the organization who will interact with DMAS on any matters pertaining to this RFP and the resultant Contract; and
5. A statement agreeing that the Offeror's proposal shall be valid for a minimum of 180 days from its submission to DMAS.

7.6 Signed Cover Page of the RFP and Addenda

- 7.6.1 To attest to all RFP terms and conditions, the authorized representative of the Offeror shall sign the cover page of this RFP, as well as the cover page of the Addenda, if issued, to the RFP, and submit them along with its proposal.

7.7 Procurement Contact

The principal point of contact for this procurement in DMAS will be:

Terry Smith, Waiver Operations Manager

Long-Term Care and Quality Assurance Division
Virginia Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, VA 23219
FAX: (804) 371-4986
E-mail: CDFAS@dmass.virginia.gov

All communications with DMAS regarding this RFP should be directed to the principal point of contact. All RFP content-related questions shall be in writing to the principal point of contact. An Offeror who communicates with any other employees or Contractors of DMAS concerning this RFP after issuance of the RFP may be disqualified from this procurement.

7.8 Submission and Acceptance of Proposals

The proposal, whether mailed or hand delivered, will arrive at DMAS no later than 2:00 p.m. E.S.T. on Wednesday, July 20, 2005. DMAS will be the sole determining party in establishing the time of arrival of proposals. Late proposals will not be accepted and will be automatically rejected from further consideration. The address for delivery is:

Proposals may be sent by US mail, Federal Express, UPS, etc. to:

Attention: William D. Sydnor
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, VA 23219

Hand Delivery or Courier to:

Attention: William D. Sydnor
Department of Medical Assistance Services
1st Floor DMAS Receptionist
600 East Broad Street
Richmond, VA 23219

If DMAS does not receive at least one responsive proposal as a result of this RFP, DMAS Management reserves the right to select a Contractor that best meets DMAS' needs. DMAS also reserves the right to reject all proposals. DMAS reserves the right to delay implementation of the RFP if a satisfactory Contractor is not identified or if DMAS determines a delay is necessary to ensure implementation goes smoothly without service interruption. Information will be posted on the DMAS web site, <http://www.dmass.virginia.gov/>.

7.9 Oral Presentation and Site Visit

- 7.9.1 DMAS may require one or more oral presentations by an Offeror in response to questions DMAS has about the Offeror's proposal. An oral presentation means that the Offeror is physically present in a DMAS designated meeting room. DMAS will allow a minimum five-business day advance notice to the Offeror prior to the date of the oral presentation. Expenses incurred, as part of the oral presentation shall be the Offeror's responsibility.
- 7.9.2 DMAS may make one or more on-site visits to see the Offeror's operation of another payroll contract, both Medicaid and non-Medicaid. DMAS shall be solely responsible for its own expenses for travel, food and lodging.

7.10 Technical Proposal

The following describes the required format, content and sequence of presentations for the Technical Proposal:

7.10.1 Chapter One: Executive Summary

The Executive Summary Chapter will highlight the Offeror's:

1. Understanding of the project requirements.
2. Qualifications to serve as the DMAS Contractor for the project.
3. Overall Approach to the project and a summary of the contents of the proposal.

7.10.2 Chapter Two: Corporate Qualifications and Experience

Chapter Two will present the F/EA's qualifications and experience to serve as the Contractor for the project. Specifically, the F/EA will describe its:

1. Organization Status:
 - a) Name of Project Director for this Virginia contract and the amount of time the Project Director is dedicated to this project initially as well as ongoing when awarded.
 - b) Name, address, telephone number, fax number, and e-mail address of legal entity with whom the contract is to be written;
 - c) Federal employer ID numbers, unique FEIN for F/EA services;
 - d) Name, address, telephone numbers of principal officers (president, vice-president, treasurer, chairperson of the board of directors, and other executive officers);
 - e) Name of the parent organization;
 - f) Major business services;
 - g) Legal status or whether it is a for-profit or a not-for-profit company;
 - h) A list of board members and their organizational affiliations;
 - i) Any specific licenses and accreditation held by the Offeror.
2. Corporate Experience:
 - a) Offeror's overall qualifications to carry out a project of this nature and scope.
 - b) The Offeror shall describe the background and success of the Offeror's organization and experience in Medicaid fiscal agent services, specifically implementing state programs.
 - c) The Offeror's knowledge of the Medicaid recipient populations.
 - d) For each experience with operating, managing, or contracting for the provision of fiscal agent services, the Offeror shall indicate the contract or project title, dates of performance, scope and complexity of contract, and customer references (see below).
 - e) Any other related experience the Offeror feels is relevant shall be included.
 - f) The Offeror shall indicate whether the Offeror has had a contract terminated, within the last five years for any reason, and describe the reason.
 - g) The Offeror also shall indicate if a claim was made on a payment or performance bond. If so, the Offeror shall submit full details of the termination and the bonds including the other party's name, address, and telephone number.
3. References:

- a) Two customers who will substantiate the Offeror's qualifications and capabilities to perform the services required by the RFP.
- b) Two customers who can attest to the Offeror's experience with interface files for data loads.
- c) Contact information for all payroll contracts, both Medicaid and non-Medicaid, held by the Offeror at any time since January 1, 2000.

The Offeror shall complete the Reference Form in Attachment F for each reference, which includes the contract name, address, telephone number, contact person, and periods of work performance.

4. Financial Stability:

The Offeror shall submit evidence of financial stability. The Offeror should submit one of the following financial reports:

- a) For a publicly held corporation, a copy of the most recent three years of audited financial reports and financial statements, or
- b) For privately held corporation, proprietorship, or partnership, financial information for the past three years, similar to that included in an annual report, to include, at a minimum, an income statement, a statement of cash flows, a balance sheet, and number of years in business.

7.10.3 Chapter Three: Technical Approach

The Offeror shall fully describe how it intends to meet all of the technical proposal requirements listed in Section 4 of this RFP. Specifically, the Offeror shall describe in detail its proposed technical approach for each of the tasks listed in Section 4 including staff, systems, procedures, or materials that will be used to perform these tasks. This includes how each task will be performed, what problems need to be overcome, what functions the staff will perform, and what assistance will be needed from DMAS, if any.

7.10.4 Chapter Four: Staffing

The proposal will describe the following:

- 1. Staffing Plan: The Offeror will provide a functional organizational chart of the proposed project structure and organization, indicating the lines of authority for proposed staff directly involved in performance of this contract and content information. The staffing plan will indicate the number of proposed FTEs by position and an estimate of hours to be committed to the project by each staff position. The plan will also include the number of staff to be employed by the F/EA.
- 2. Staff Qualifications and Résumés: Job descriptions for all key positions on the project. Resumes will be included for key personnel. The resumes of personnel proposed would include qualifications, experience, and relevant education, professional certifications and training for the position they will fill.

3. Office Location: A description of the geographical location of the central business office, the billing office, the dedicated service support system and satellite offices, if applicable, will be included.

7.10.5 Chapter Five: Project Work Plan

The proposal will describe the following:

Work Plan and Project Management: The proposal will include a work plan (Microsoft Project 2000 or compatible version) detailing the sequence of events and the time required to implement this project by January 03, 2006. The relationship between key staff and the specific tasks and assignments proposed to accomplish the scope of work will also be included. A PERT, Gantt, or Bar Chart that clearly outlines the project timetable from beginning to end will be included in the proposal. Key dates and key events relative to the project will be clearly shown on the chart including critical path of tasks. The Offeror will describe its management approach and how its proposed work plan will be executed.

Progress Reports: The Contractor must prepare a written progress report every month or more frequently as requested and present this report to the Waiver Operations Manager, Division of Long-Term Care and Quality Assurance or designee. The report must include:

1. Status of major activities and tasks in relation to the Contractor's work plan.
2. Target dates for completion of remaining tasks.
3. Any potential delays or problems anticipated or encountered in reaching target dates and the reason for such delays.
4. Any revisions to the overall work schedule.

8. **PROPOSAL EVALUATION AND AWARD CRITERIA**

DMAS will conduct a comprehensive, fair, and impartial evaluation of proposals (by an evaluation team) received in response to this RFP. The team will make recommendation to the DMAS Director.

8.1 **Evaluation of Minimum Requirements**

- 8.1.1 DMAS will initially determine if each proposal addresses the minimum RFP requirements to permit a complete evaluation of the Technical Proposal. Failure to comply with the instructions will deem the proposal non-responsive and subject to disqualification without further consideration. DMAS reserves the right to waive minor irregularities.

The minimum requirements for a proposal to be given consideration are:

RFP Cover Sheet: This form will be completed and signed by the authorized representative of the organization.

Closing Date: The proposal will have been received in the number of copies specified, as provided in Section 7, before the closing of acceptance of proposals.

Compliance: The proposal will comply with the entire format requirements described in Section 4.

Mandatory Conditions: All mandatory General and Special Terms and Conditions contained will be accepted.

8.2 Proposal Evaluation Criteria

Proposals will be evaluated by DMAS using the following criteria:

8.2.1 Clarity and thoroughness of the F/EA's proposal in defining the PMPM.

8.2.1.1 The relativity of proposal to the expected services to be provided.

8.2.2 Experience of the F/EA in providing Fiscal/Employer Agent services.

8.2.2.1 Experience of the F/EA in offering consumer-directed payroll services.

8.2.2.2 Demonstrated ability to stay up-to-date with Federal and State rules and regulations regarding vendor Fiscal/Employer Agents and household employers.

8.2.2.3 Demonstrated knowledge and experience in the use of automation to increase efficiency and accuracy of business practices.

8.2.2.4 Demonstrated capacity building for an increase in service volume.

8.2.2.5 Experience of the F/EA in working with indigent populations on payroll services, particularly Medicaid populations.

8.2.3 Demonstration in the written proposal of the F/EA's ability, facilities and capacity to provide all required services in a timely, efficient and professional manner.

8.2.3.1 Clarity and thoroughness of the F/EA's proposal in addressing the components of the RFP and plan for implementing them.

8.2.3.2 Defined plan in place to evaluate and update Operations Manual and business practices on a regular basis.

8.2.3.3 Capacity to perform project management and availability of the resources to meet the requirements of the RFP.

8.2.4 Experience and expertise of specific staff assigned to the contract.

8.2.4.1 Prior experience of staff with similar projects.

8.2.4.2 Qualifications of staff.

8.2.4.3 Demonstrated expertise in technology based systems.

8.2.4.4 Defined training plan to maintain up-to-date knowledge of Federal and State rules and regulations regarding vendor Fiscal/Employer Agents and household employers.

8.2.4.5 Appropriateness of the relationship between staff qualifications and assigned responsibilities.

8.2.5 Quality of references.

8.2.5.1 References who clearly address the nature of the work performed by the F/EA.

8.2.5.2 References who exhibit satisfaction with the work performed by the F/EA.

8.2.6 Cost –The PMPM Cost Proposal plus Implementation costs

Criteria	Weight
Clarity and thoroughness of the F/EA's proposal in defining the PMPM.	
Experience of the F/EA in providing fiscal agent/employer services.	
Demonstration in the written proposal of the F/EA's ability, facilities and capacity to provide all required services in a timely, efficient and professional manner.	
Experience and expertise of specific staff assigned to the contract.	

Quality of references.	
Cost – The PMPM cost proposal plus Implementation costs	

For purposes of evaluation, each Offerors PMPM cost shall be multiplied by the average monthly enrollment and a weighted average shall be calculated. In addition, the Offerors implementation cost will be added to the total and the Offeror with the lowest cost proposal shall be identified, and all other Offerors cost shall be evaluated in comparison to this price.

DMAS will not provide information to the Offerors on the specific weight of each of these evaluation criteria until the date the proposals are due.

9. **GENERAL TERMS AND CONDITIONS**

9.1 **VENDORS MANUAL:**

This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.dgs.state.va.us/dps under "Manuals."

9.2 **APPLICABLE LAWS AND COURTS:**

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Agency and the Contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, §2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations.

9.3 **ANTI-DISCRIMINATION:**

By submitting their proposals, Offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and §2.2-4311 of the Virginia Public Procurement Act (VPPA), and any other applicable laws. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

In every contract over \$10,000, the provisions in Sections 9.3.1 and 9.3.2. below apply:

9.3.1. During the performance of this contract, the Contractor agrees as follows:

a) The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide

occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

b) The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

c) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

9.3.2 The Contractor will include the provisions of 9.3.1 above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

9.4 ETHICS IN PUBLIC CONTRACTING:

By submitting their proposals, Offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

9.5 IMMIGRATION REFORM AND CONTROL ACT OF 1986:

By submitting their proposals, Offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

9.6 DEBARMENT STATUS:

By submitting their proposals, Offerors certify that they are not currently debarred by the Commonwealth of Virginia or any other federal, state or local government from submitting bids or proposals on any type of contract, nor are they an agent of any person or entity that is currently so debarred.

9.7 ANTITRUST:

By entering into a contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

9.8 MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS

Failure to submit a proposal on the official state form, in this case the completed and signed RFP Cover Sheet, may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

9.9 CLARIFICATION OF TERMS:

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact Terry Smith at

CDFAS@dmas.virginia.gov no later than June 24, 2005. Any revisions to the solicitation will be made only by addendum issued by the buyer.

9.10 **PAYMENT:**

1. To Prime Contractor:

- a. Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual Contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e. **Unreasonable Charges:** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges that appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the Contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A Contractor may not institute legal action unless a settlement cannot be reached within thirty-days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges that are not in dispute (*Code of Virginia*, § 2.2-4363).

2. To Subcontractors:

- a. A Contractor awarded a contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 - To notify the agency and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.
 - The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary contract. A Contractor's obligation to pay an interest charge to a

subcontractor may not be construed to be an obligation of the Commonwealth.

3. Each prime Contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

9.11 **PRECEDENCE OF TERMS:**

The following General Terms and Conditions: *VENDORS MANUAL*, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

9.12 **QUALIFICATIONS OF OFFERORS:**

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Commonwealth that such Offeror is properly qualified to carry out the obligations of the Contract and to provide the services and/or furnish the goods contemplated therein.

9.13 **TESTING AND INSPECTION:**

The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to ensure goods and services conform to the specifications.

- 9.14 **ASSIGNMENT OF CONTRACT:** A contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth. Any assignment made in violation of this section will be void.

- 9.15 **CHANGES TO THE CONTRACT:** Changes can be made to the contract in any of the following ways:

1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the Contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall

comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:

- a. By mutual agreement between the parties in writing; or
- ii. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the Contractor's records and/or to determine the correct number of units independently; or
- iii. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the Contractor, as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

9.16 **DEFAULT:**

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies, which the Commonwealth may have.

9.17 **INSURANCE:**

By signing and submitting a bid or proposal under this solicitation, the Offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The Offeror further certifies that the Contractor and any subcontractors will maintain this insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

1. Workers' Compensation: Statutory requirements and benefits: Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
2. Employer's Liability: \$100,000.
3. Commercial General Liability: \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
4. Automobile Liability: \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.)

9.18 **ANNOUNCEMENT OF AWARD:** Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site (www.eva.state.va.us) for a minimum of 10 days.

9.19 **DRUG-FREE WORKPLACE:**

During the performance of this contract, the Contractor agrees to:

1. Provide a drug-free workplace for the Contractor's employees;
2. Post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
3. State in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and
4. Include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

9.20 **NONDISCRIMINATION OF CONTRACTORS:**

A bidder, Offeror, or Contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or Offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

9.21 **eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION:**

The eVA Internet electronic procurement solution, web site portal www.eva.state.va.us, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or Offerors must register in eVA; failure to register will result in the bid/proposal being rejected.

1. **eVA Basic Vendor Registration Service:** \$25 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, and electronic bidding.
2. **eVA Premium Vendor Registration Service:** \$200 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. The eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments, and ability to research historical procurement data, as they become available.

10. SPECIAL TERMS AND CONDITIONS

10.1 Access To Premises

- 10.1.1 The CONTRACTOR will allow duly authorized agents or representatives of the State or Federal Government, during normal business hours, access to Contractor's premises, to inspect, audit, monitor or otherwise evaluate the performance of the Contractor's contractual activities and will forthwith produce all records requested as part of such review or audit. In the event right of access is requested under this section, the Contractor will, upon request, provide and make available staff to assist in the audit or inspection effort, and provide adequate space on the premises to reasonably accommodate the State or Federal personnel conducting the audit or inspection effort. All inspections or audits will be conducted in a manner as will not unduly interfere with the performance of Contractor activities. The Contractor will be given thirty (30) calendar days to respond to any preliminary findings of an audit before the Department will finalize its findings. All information so obtained will be accorded confidential treatment as provided under applicable law.
- 10.1.2 The Department, the Office of the Attorney General of the Commonwealth of Virginia, the federal Department of Health and Human Services, and/or their duly authorized representatives will be allowed access to evaluate through inspection or other means, the quality, appropriateness, and timeliness of services performed under this Contract.

10.2 Office on Premises

- 10.2.1 The Contractor will supply sufficient separate office space adjoining or adjacent to the Contractor's immediate offices for the DMAS contract monitor. This space will include a separate office with door, all necessary office equipment the contract monitor needs to operate from the Contractor's location. This includes but is not limited to office desk, chair, phone, computer, software, Internet access, monitor, filing cabinets, printer, bookshelves, etc.

10.3 Access To And Retention Of Records

- 10.3.1 In addition to the requirements outlined below, the Contractor will comply, and will require compliance with the security and confidentiality of records standards.

10.4 Access to Records

- 10.4.1 The Department, its duly authorized representatives and State and Federal auditors will have access to any books, fee schedules, documents, papers, and records of the Contractor.
- 10.4.2 The Department, or its duly authorized representatives, will be allowed to inspect, copy, and audit any of the above documents, including, medical and/or financial records of the Contractor.

10.5 Retention of Records

The Contractor will retain all records and reports relating to this Contract for a period of six (6) years after final payment is made under this Contract or in the event that this Contract is renewed six (6) years after the renewal date. When an audit, litigation, or other action involving records is initiated prior to the end of said period, however, records will be maintained for a period of six (6) years following resolution of such action or longer if such action is still ongoing. Copies on microfilm or other appropriate media of the documents contemplated herein may be substituted for the originals provided that the microfilming or other duplicating procedures are reliable and are supported by an effective retrieval system which meets legal requirements to support litigation, and to be admissible into evidence in any court of law. The records remain the property of DMAS.

10.6 Advertising

In the event a contract is awarded for services resulting from this proposal, no indication of such sales or services to DMAS will be used in product literature or advertising. The Contractor will not state in any of its advertising or product literature that the Commonwealth of Virginia or any agency or institution of the Commonwealth has purchased or uses its products or services.

10.7 Audit

The Contractor will retain all books, records, and other documents relative to this contract for six (6) years after final payment, or longer if audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or state auditors will have full access to and the right to examine any of said materials during said period.

10.8 Availability of Funds

It is understood and agreed between the parties herein that the agency will be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

10.9 **Award**

Selection will be made of two or more Contractors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations will be conducted with the Contractors so selected. Price will be considered, but need not be the sole determining factor. After negotiations have been conducted with each Contractor so selected, the Agency will select the Contractor, which, in its opinion, has made the best proposal, and will award the contract to that Contractor. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (*Code of Virginia*, § 2.2-4359D). Should the Commonwealth determine in writing and in its sole discretion that only one Contractor is fully qualified, or that one Contractor is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Contractor. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the Contractor's proposal as negotiated.

10.10 **Cancellation of Contract**

The Department reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 30 days written notice to the Contractor. Any contract cancellation notice will not relieve the Contractor of the obligation to deliver and/or perform on all outstanding services issued prior to the effective date of cancellation.

10.10.1 Termination

This Contract may be terminated in whole or in part:

- a. By the Department, for convenience, with not less than thirty (30) days prior written notice, which notice will specify the effective date of the termination,
- b. By the Department, in whole or in part, if funding from Federal, State, or other sources is withdrawn, reduced, or limited;
- c. By the Department if the Department determines that the instability of the Contractor's financial condition threatens delivery of services and continued performance of the Contractor's responsibilities; or
- d. By the Department if the Department determines that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities.

Each of these conditions for contract termination is described in the following paragraphs.

10.10.2 Termination for Convenience

The Contractor may terminate this Contract with or without cause, upon six (6) full calendar months written notice to the Department. In addition, the Contractor may terminate the Contract by opting out of the renewal clause, with six months notice.

10.10.3 Termination for Unavailable Funds

The Contractor understands and agrees that the Department will be bound only to the extent of the funds available or which may become available for the purpose of this resulting Contract. When the Department makes a written determination that funds are not adequately appropriated or otherwise unavailable to support continuance of performance of this Contract, the Department will, in whole or in part, cancel or terminate this Contract.

The Department's payment of funds for purposes of this Contract is subject to and conditioned upon the availability of funds for such purposes, whether Federal and/or State

funds. The Department may terminate this Contract upon written notice to the Contractor at any time prior to the completion of this Contract, if, in the sole opinion of the Department, funding becomes unavailable for these services or such funds are restricted or reduced. In the event that funds are restricted or reduced, it is agreed by both parties that, at the sole discretion of the Department, this Contract may be amended. If the Contractor will be unable or unwilling to provide covered services at reduced rates, the Contract will be terminated.

No damages, losses, or expenses may be sought by the Contractor against the Department, if, in the sole determination of the Department, funds become unavailable before or after this Contract between the parties is executed. A determination by the Department that funds are not appropriated or are otherwise inadequate or unavailable to support the continuance of this Contract will be final and conclusive.

10.10.4 Termination Because of Financial Instability

In the event the Contractor becomes financially unstable to the point of threatening the ability of the Department to obtain the services provided for under the Contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, or suffers or permits the appointment of a receiver for its business or assets, the Department may, at its option, immediately terminate this Contract effective at the close of business on a date specified by the Department. In the event the Department elects to terminate the Contract under this provision, the Contractor will be notified in writing, by either certified or registered mail, specifying the date of termination. The Contractor will submit a written waiver of the licensee's rights under the Federal bankruptcy laws.

In the event of the filing of a petition in bankruptcy by a principal network provider the Contractor will immediately so advise the Department. The Contractor will ensure that all tasks are performed in accordance with the terms of this Contract.

10.10.5 Termination for Default

The Department may terminate the Contract, in whole or in part, if the Department determines that the Contractor has failed to satisfactorily perform its duties and responsibilities under this Contract and is unable to cure such failure within a reasonable period of time as specified in writing by the Department, taking into consideration the gravity and nature of the default. Such termination will be referred to herein as "Termination for Default."

Upon determination by the Department that the Contractor has failed to satisfactorily perform its duties and responsibilities under this Contract, the Contractor will be notified in writing, by either certified or registered mail, of the failure and of the time period which has been established to cure such failure. If the Contractor is unable to cure the failure within the specified time period, the Department will notify the Contractor in writing within thirty (30) calendar days of the last day of the specified time period that the Contract, has been terminated in full or in part, for default. This written notice will identify all of the Contractor's responsibilities in the case of the termination, including responsibilities related to recipient notification, network provider notification, refunds of advance payments, return or destruction of Department data and liability for medical claims.

In the event that DMAS determines that the Contractor's failure to perform its duties and responsibilities under this contract results in a substantial risk to the health and safety of Medicaid recipients, DMAS may terminate this contract immediately without notice.

If, after notice of termination for default, it is determined by the Department or by a court of law that the Contractor was not in default or that the Contractor's failure to perform or make progress in performance was due to causes beyond the control of and without error or negligence on the part of the Contractor, the notice of termination will be deemed to have been issued as a termination for the convenience of the Department, and the rights and obligations of the parties will be governed accordingly.

In the event of termination for default, in full or in part, as provided for under this clause, the Department may procure from other sources, upon such terms and in such manner as is deemed appropriate by the Department, supplies or services similar to those terminated, and the Contractor will be liable for any costs for such similar supplies and services and all other damages allowed by law. In addition, the Contractor will be liable to the Department for administrative costs incurred to procure such similar supplies or services as are needed to continue operations. In the event of a termination for default prior to the start of operations, any claim the Contractor may assert will be governed by the procedures defined by the Department for handling contract termination. Nothing herein will be construed as limiting any other remedies that may be available to the Department.

In the event of a termination for default during ongoing operations, the Contractor will be paid for any outstanding payments due less any assessed damages.

10.11 Remedies For Violation, Breach, Or Non-Performance Of Contract

Upon receipt by the Department of evidence of substantial non-compliance by the Contractor with any of the provisions of this Contract or with State or federal laws or regulations the following remedies may be imposed.

10.11.1 Procedure For Contractor Noncompliance Notification

In the event that the Department identifies or learns of noncompliance with the terms of this contract, the Department will notify the Contractor in writing of the nature of the noncompliance. The Contractor will remedy the noncompliance within a time period established by the Department and the Department will designate a period of time, not less than ten (10) calendar days, in which the Contractor will provide a written response to the notification. The Department may develop or may require the Contractor to develop procedures with which the Contractor will comply to eliminate or prevent the imposition of specific remedies.

10.11.2 Remedies Available To The Department

The Department reserves the right to employ, at the Department's sole discretion, remedies and a sanction to include payment withholds liquidated damages, and/or termination of the contract.

10.12 Performance and Payment Bonds

The Contractor will deliver to DMAS executed performance and payment bonds, each in the sum of six months of the estimated annual contract amount, with DMAS as obligee. The surety will be a surety company or companies listed in the Federal Registry of Surety Companies and approved by the State Corporation Commission to transact business in the Commonwealth of Virginia. No payment will be due and payable to the Contractor, even if the contract has been performed in whole or in part, until the bonds have been delivered to and approved by DMAS. The payment bond will be used to cover delinquent payments to attendants, federal and state tax payments and other vendors under contract with the Contractor up to the maximum of the full value of the bond in the event that the

Contractor is unable to properly, promptly and efficiently perform the contract and/or the Contract is terminated by default or bankruptcy.

10.13 Payment

The Contractor will be prepared to provide the full range of services requested under this RFP and resultant contract, on site and operationally ready to begin work by the implementation date established by DMAS. DMAS will provide adequate prior notice of the implementation date. Upon approval of the Contractor's operational readiness and a determined start date, DMAS will make payments as described in Section 6.

Each invoice submitted by the Contractor will be subject to DMAS approval based on satisfactory performance of contracted services and compliance with all contract terms. The invoice will contain the Federal tax identification number, the contract number and any other information subsequently required by DMAS.

10.14 Identification of Proposal Envelope

The signed proposal should be returned in a separate envelope or package sealed and identified as follows:

From: _____
Name of Contractor _____
Due Date /Time _____
Street or Box Number _____
City, State, Zip Code _____
RFP Number _____

Name of Contract/Purchase Officer:

The envelope should be addressed as directed on Page 1 of the solicitation.

If a proposal not contained in the special envelope is mailed, the Contractor takes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised which may cause the proposal to be disqualified. Proposals may be hand delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

10.15 Indemnification

Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the Contractor/any services of any kind or nature furnished by the Contractor, provided that such liability is not attributable to the sole negligence of the using agency or to failure of the using agency to use the materials, goods, or equipment in the manner already and permanently described by the Contractor on the materials, goods or equipment delivered.

10.16 Subcontracting

No portion of the awarded will be subcontracted.

10.17 Prime Contractor Responsibilities

The Contractor will be responsible for completely supervising and directing the work under this contract. The Contractor agrees that he is as fully responsible for the acts and omissions of his and of persons employed by them as he is for the acts and omissions of his own employees.

10.18 Renewal of Contract

This contract may be renewed by the Commonwealth upon written agreement of both parties for three successive one-year periods, under the terms of the current contract, and at a reasonable time (approximately 90 days) prior to the expiration.

10.19 Confidentiality of Information

By submitting a proposal, the Contractor agrees that information or data obtained by the Contractor from DMAS during the course of determining and/or preparing a response to this RFP may not be used for any other purpose than determining and/or preparing the Contractor's response. Such information or data may not be disseminated or discussed for any reasons not directly related to the determination or preparation of the Contractor's response to this RFP.

10.20 HIPAA Compliance

The Contractor will comply with all State and Federal laws and Regulations with regards to handling, processing, or using Health Care Data. This includes but is not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations as it pertains to this agreement, and the Contractor will keep abreast of the regulations. Since this is a federal law and the regulations apply to all health care information, the Contractor will comply with the HIPAA regulations at no additional cost to DMAS. The Contractor will also be required to enter into a DMAS-supplied HIPAA Business Associate Agreement with DMAS to comply with the regulations protecting Health Care Data. A template of this Agreement is available on the DMAS Internet Site at <http://www.dmas.virginia.gov/hpa-home.htm>.

10.21 Obligation of Contractor

By submitting a proposal, the Contractor covenants and agrees that it has satisfied self of the conditions to be met, and fully understands its obligations, and that it will have no right to cancel this proposal or to relief of any other nature because of its misunderstanding or lack of information.

10.22 Independent Contractor

Any Contractor awarded a contract under this RFP will be considered an independent contractor, and neither the contractor, nor personnel employed by the contractor, is to be considered an employee or agent of DMAS.

10.23 Ownership of Intellectual Property

All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of this contract will become the sole property of the Commonwealth. On request, the Contractor will promptly provide an acknowledgement or assignment in a tangible form satisfactory to the Commonwealth to

evidence the Commonwealth's sole ownership of specifically identified intellectual property created or developed in the performance of the contract.

10.24 Subsidiary-Parent Relationship

In the event the Contractor is a subsidiary or division of a parent organization, the Contractor will include in the proposal, a signed statement by the chief executive officer of the parent organization pledging the full resources of the parent organization to meet the responsibilities of the subsidiary organization under contract to DMAS. Any change in ownership will not relieve the original parent of its obligation of pledging its full resources to meet the obligations of the contract with DMAS without the express written consent of the DMAS Director.

Virginia Department of Medical Assistance Services
The Mental Retardation (MR) Waiver
Fact Sheet

Initiative

Home and Community Based (1915 (c)) waiver whose purpose is to provide care in the community rather than in an Intermediate Care Facility for the Mental Retarded (ICF/MR).

Targeted Population

Individuals who are up to 6 years of age who are at developmental risk and individuals age 6 and older who have mental retardation. All individuals will (1) meet the ICF/MR level of care criteria (i.e., they meet two out of seven levels of functioning in order to qualify); (2) are at imminent risk of ICF/MR placement, and (3) are determined that community-based care services under the waiver are the critical services that enable the individual to remain at home rather than being placed in an ICF/MR.

Eligibility Rules

Will be eligible for Medicaid and meet screening criteria; the income limit is 300% of the SSI payment limit for one person.

Patient-Pay Requirements

Some individuals may have a patient pay towards the cost of their own services if they have earned or unearned income above 100% of SSI. If the individual is employed 8-20 hours per week, the individual can keep up to 200% of SSI before a patient pay is assessed. If the individual is employed 20 or more hours per week, the individual can keep up to 300% of SSI before a patient pay is assessed. In any situation, an individual's combined earned and unearned income cannot exceed 300% of SSI.

Services Available

Assistive Technology
Case Management (State Plan Service)
Crisis Stabilization
Day Support
Personal Assistance (agency-directed & consumer-directed)
Companion Care (agency-directed & consumer-directed)
Respite Care (agency-directed & consumer-directed)
Environmental Modifications
Personal Emergency Response Systems
Prevocational Services
Residential Support Services (In-Home and Congregate)
Skilled Nursing
Supported Employment
Therapeutic Consultation

Service Authorization

An individual or the individual's family/caregiver requests to be screened at his/her local Community Services Board (CSB). The CSB is the single point of entry for mental retardation services.

Program Administration

Program is administered by the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) and the Department of Medical Assistance Services (DMAS)

Number of Providers

Approximately 799 as of 1/1/2003

Number of People Served

FY2003: 5,622

Cost

FY2003: \$227,229,982 (total waiver expenditures)

Average Cost Per Recipient

FY2003: \$40,418

Providers

An institution, facility, agency, partnership, corporation, or association that meets the standards and requirements set forth by DMAS, and has a current, signed contract with DMAS to be a provider of MR Waiver services.

Additional Information

Please contact Ms. Gail Rheinheimer of DMHMRSAS at (540) 981-0697 or by e-mail at gail.rheinheimer@co.dmhmrsas.virginia.gov or Ms. Pat Arevalo, Supervisor, Behavioral Health and Developmental Disabilities Unit of DMAS, at (804) 786-1465.

Virginia Department of Medical Assistance Services
The Individual and Family Developmental Disabilities Support (DD) Waiver
Fact Sheet

Initiative

Home and Community Based (1915(c)) waiver whose purpose is to provide care in the community rather than in an Intermediate Care Facility for the Mental Retarded (ICF/MR).

Targeted Population

Individuals who are 6 years of age and older who have a related condition and do not have a diagnosis of mental retardation who (1) meet the ICF/MR level of care criteria (i.e., they meet two out of seven levels of functioning in order to qualify); (2) are determined to be at imminent risk of ICF/MR placement, and (3) are determined that community-based care services under the waiver are the critical services that enable the individual to remain at home rather than begin placed in an ICF/MR.

Eligibility Rules

Will be eligible for Medicaid and meet screening criteria; the income limit is 300% of the SSI payment limit for one person.

Co-Pay Requirements

Some individuals may have a co-payment if the individual has earned or unearned income above 100% of SSI. If the individual is employed 8-20 hours per week, the individual can keep up to 200% of SSI before a co-pay is assessed. If the individual is employed 20 or more hours per week, the individual can keep up to 300% of SSI before a co-pay is assessed. In any situation, an individual's combined earned and unearned income cannot exceed 300% of SSI.

Services Available

Assistive Technology
Crisis Stabilization
Personal Assistance, Companion Care and Respite Care (consumer & agency-directed)
Environmental Modifications
Therapeutic Consultation
Supported Employment
Prevocational Services
Day Support
In-Home Residential Services
Skilled Nursing
Personal Emergency Response Systems
Family/Caregiver Training
Case Management (State Plan Service)

Service Authorization

An individual or family/caregiver submits a "Request for Screening" form to DMAS. DMAS submits the screening request to one of 12 Child Development Clinics designated to serve as the screening team for the DD Waiver. If the screening team determines the individual meets criteria, a service plan is created and DMAS assigns a slot to the individual once a slot becomes available.

Program Administration

The program is administered by the Department of Medical Assistance Services (DMAS). DMAS also conducts preauthorization of DD Waiver services.

Number of Providers

Approximately 200

Number of People Served

FY2004: 270

Cost

FY2004: \$4,737,002 (total waiver expenditures)

Average Cost Per Recipient

FY2004: \$17,545

Providers

An institution, facility, agency, partnership, corporation, or association that meets the standards and requirements set forth by DMAS, and has a current, signed contract with DMAS to be a provider of DD Waiver services.

Additional Information

Please contact Ms. Pat Arevalo, Supervisor, Behavioral Health and Developmental Disabilities Unit of DMAS, at (804) 786-1465 or by e-mail at Pat.Arevalo@dmass.virginia.gov.

Virginia Department of Medical Assistance Services
The Elderly or Disabled With Consumer-Direction (EDCD) Waiver
Fact Sheet

Initiative

Home and Community Based (1915 (c)) waiver whose purpose is to provide care in the community rather than in a nursing facility.

Targeted Population

Individuals who (1) meet the nursing facility level of care criteria (i.e., they are functionally dependent and have a medical nursing needs), (2) are determined to be at imminent risk of nursing facility placement, and (3) are determined that community-based care services under the waiver are the critical services that enable the individual to remain at home rather than begin placed in a nursing facility.

Eligibility Rules

Will be eligible for Medicaid and meet screening criteria; income limit is 300% of the SSI payment limit for one person.

Eligibility Disregards

Working individuals have a greater need due to expenses of employment; therefore an additional amount of income will be deducted. Earned income will be deducted within the following limits: (i) for individuals employed 20 hours or more, earned income will be disregarded up to a maximum of 300% of SSI and (ii) for individuals employed at least eight but less than 20 hours, earned income will be disregarded up to a maximum of 200% of SSI. However, in no case, will the total amount of income (both earned and unearned) disregard for maintenance exceed 300% of SSI.

Services Available

Personal Assistance and Respite Care (consumer & agency-directed)
 Adult Day Care (ADHC)
 Personal Emergency Response Systems (PERS)
 Medication Monitoring.

Service Authorization

Local and hospital screening teams conduct a pre-admission screening. A screening team consists of a registered nurse, social worker, and a physician. A contractor of DMAS performs Service authorization.

Program Administration

Program administered by DMAS

Number of Providers

Approximately 538

Number of People Served

10,879

Providers

An institution, facility, agency, partnership, corporation, or association that meets the standards and requirements set forth by DMAS, and has a current, signed contract with DMAS to be a provider of EDCD services.

Additional Information

Please contact Mr. Jeff Beard, Program Compliance Supervisor, Waiver Services Unit, of the Long Term Care and Quality Assurance Division, at (804) 786-1465.

Virginia Department of Medical Assistance Services
HIV/AIDS Waiver
Fact Sheet

Initiative

Home and Community Based (1915 (c)) waiver whose purpose is to provide care in the community rather than in a hospital or nursing facility.

Targeted Population

Individuals who are experiencing medical and functional symptoms associated with HIV/AIDS that would, in the absence of waiver services, require the level of care provided in a hospital or nursing facility. Persons who would revert to a hospital or nursing facility level of care without continuation of waiver services will be allowed to continue to participate in the waiver;

Eligibility Rules

Will be eligible for Medicaid and meets nursing facility or inpatient hospital criteria; income limit is 300% of the SSI payment limit for one person (\$1,590/month).

Services Available

Personal Assistance and Respite Care (consumer & agency-directed)
Private Duty Nursing (PDN)
Enteral Nutrition (ES)
Case Management (CM)

Service Authorization

A local pre-admission screening, which consists of a registered nurse, social worker, and a physician. A contractor of DMAS performs Service authorization.

Waiver Exception

Recipients are exempt from patient pays

Program Administration

Program administered by DMAS

Number of Providers

Approximately 414

Number of People Served

FY 2004: 274

Cost

FY 2004: Total cost \$608,497.

Average Cost Per Recipient

FY2004: \$2,221

Providers

An institution, facility, agency, partnership, corporation, or association that meets the standards and requirements set forth by DMAS, and has a current, signed contract with DMAS to be a provider of a waiver service in the HIV/AIDS Waiver.

Additional Information

Please contact Mr. Jeff Beard, Program Compliance Supervisor, Waiver Services Unit, of the Long Term Care and Quality Assurance Division, at (804) 786-1465.

**Department of Medical Assistance Services (DMAS)
Consumer-directed Services Attendant Application**

Employer Information

Recipient's Last Name				Recipient's First Name			
Address						City	
State		Zip		Medicaid Number			
Telephone Number	()			Social Security Number			

Employee Information

Attendant's Last Name				Attendant's First Name			
Address							
City				State		Zip	
Social Security Number				Telephone Number	()		
Alternate Telephone	()			Relationship to Employer*			

Services Facilitator Information

Agency Name				Facilitator's Name			
Address							
City				State		Zip	
Telephone Number	()			Alternate Telephone	()		

A. *Signature Authentication*

Individuals selecting consumer-directed services are required to sign documentation confirming that services were delivered as stated. Individuals will provide their original signature so that all future signatures can be verified as authentic.

- 1) If the recipient is directing their own care and will be signing forms then the signature at end of this form will be used to verify future signatures.
- 2) If the recipient makes a mark or has an illegible signature then someone other than the attendant will witness the form and this section will be completed.

Recipient's Mark				Date	
Witness' Last Name			Witness' First Name		
Signature				Date	

- 3) If a person other than the recipient will be the employee of record then they will complete and sign this form. Whenever signing the authorized signer will sign their name and then print the recipient's name after their signature.

Authorized signer's Last Name		Authorized signer's First Name	
Signature	Signing for:		Date
Authorized signer's Last Name		Authorized signer's First Name	
Signature	Signing for:		Date

Permission for DMAS to act as Fiscal/employer agent for Employer

The Internal Revenue Service ("IRS") has determined that you and your Personal Assistant/Companion have a common-law employer-employee relationship, which means that you are the common-law employer of your Personal Assistant/Companion.

Social Security laws require that all employers pay FICA (Federal Insurance Contributions Act) tax to the federal government to allow the employee to have Social Security benefits. In addition, employers will pay federal and state unemployment taxes for their employees. As such, FICA and federal and state unemployment taxes will now be paid for your attendant.

The Department of Medical Assistance Services will make these tax payments on your behalf to the federal government once you authorize the agency to act as your Fiscal/Employer Agent. These tax payments will be made without cost to you.

Please sign and date the statement printed below so that these tax payments can begin. The Department of Medical Assistance Services will keep this statement on file. Without your signed authorization, services cannot be provided, and payment of these taxes would be your responsibility.

I. Authorization

I authorize the Department of Medical Assistance Services to act as my Fiscal/Employer Agent in withholding FICA taxes from the wages being paid on my behalf to the person who provides care to me in my home. I also understand that the Department of Medical Assistance Services will collect and pay the necessary Social Security taxes; pay federal and state unemployment taxes as needed; and issue W-2 forms as required for payment made to my service provider on my behalf.

Employee Agreement

Parties to Agreement

This employment agreement is made this ____ day of _____, 20 ____, by and between _____, hereinafter called "Personal Attendant," and _____, hereinafter called "Employer." The purpose of this agreement is to establish the responsibilities of the parties to each other. The Personal Attendant is an employee at will.

Compensation

The Personal Attendant will be compensated for his or her services at the hourly rate of \$_____. The Personal Attendant will not be paid for providing services until the Fiscal/employer agent receives both a notice of approved authorization for services and a completed, approved attendant application.

Duration of Agreement

This agreement will be effective when both parties sign it. Either party may terminate this Agreement and the employment contemplated herein at any time and without liability for doing so, by giving the other party hereto at least 5 (five) days prior notice. Notice may be provided either orally or in writing.

Modification of Agreement

The only terms that may be modified are the scheduling terms. Modification of this agreement will be in writing.

Scheduling

If the Personal Attendant is unable to work a scheduled time, the Personal Attendant will provide at least _____ hours advance notice to the Employer, in order for the Employer to find an alternate. A change in time by the Employer or Personal Attendant will be scheduled at least _____ hours in advance. In case of emergency, the Personal Attendant will notify the Employer or another designated person. Such person will be designated in advance, in writing. If a Personal Attendant is knowingly going to be late, he or she will notify the Employer by telephone.

Personal Attendant Qualifications

The Personal Attendant attests that he or she meets the minimum qualifications.

- 1) Personal Attendant is 18 years of age or older;
- 2) Personal Attendant has the required skills to perform services as specified in the Employer's service plan;
- 3) Personal Attendant possesses basic math, reading, and writing skills in English;
- 4) Personal Attendant possesses a valid Social Security number;
- 5) The Personal Attendant is a citizen of the United States, or is otherwise eligible to work in this country as verified on the Employment Eligibility Verification Form.
- 6) Personal Attendant is willing to submit to a criminal record check upon employment; Employer agrees to select or employ Personal Attendant **on an interim basis pending completion of a criminal history record check, for those crimes as specified in 12 VAC 30-90-180**. The Employer has discussed with the Personal Attendant and reserves the right to dismiss the Personal Attendant based on the results of the criminal history record check. and
- 7) Personal Attendant can demonstrate the capability to perform health maintenance activities required by the Employer or specified in the Employer's service plan, or be willing to receive training in performance of the specified health maintenance activities.
- 8) For EDCD Waiver, Personal Attendant is not the spouse or parent or stepparent if recipient is a minor. For IFDDS and MR Waiver, Personal Attendant is not the parent, if recipient is a minor, spouse or legally responsible relative of the recipient. I understand that I may not be paid for services furnished if I am another family member/caregiver living under the same roof unless there is objective written documentation attached to this application as to why there are no other providers available to provide the care and that this situation will be approved by the recipient's Service Facilitator and the Fiscal/employer agent.
- 9) The Personal Attendant will not be paid while the recipient is in the hospital or nursing facility. The Personal Attendant will not be paid for time he or she does not work.
- 10) The Personal Attendant is responsible for filing and paying Federal and State income taxes. I understand that Social Security and Medicare payments (FICA) will be withheld from my

check and forwarded to Social Security on behalf of my common-law employer.

Personal Attendant Duties

Duties of the Personal Attendant include, but are not limited to, the following:

- 1) Personal Attendant agrees to assist the Employer by providing the services and performing the activities specified in Employer's service plan;
- 2) Personal Attendant agrees to protect the health and welfare of the Employer by providing authorized services in accordance with the policies and standards of the EDCD/IFDDS/ MR/AIDS Waiver Programs, including the Minimum Qualifications for Employment as a Personal Attendant;
- 3) Personal Attendant agrees to provide Personal Attendant/Respite/ Companion Services as specified in the Employer's service plan on a schedule mutually agreed upon between the Employer and the Personal Attendant. Occasional variations in the Personal Attendant tasks and in the schedule may occur, based on mutual agreement of the parties;
- 4) In the event of illness, emergency, or incident preventing Personal Attendant from providing scheduled service to the Employer, the Personal Attendant agrees to notify the Employer as soon as possible so that the Employer can obtain assistance from someone else;
- 5) Personal Attendant agrees to participate in training in providing services, including training in performing any allowable health activities, as required by the Employer or as specified in the Employer's service plan;
- 6) Personal Attendant agrees to confidentially maintain all information regarding the Employer and to respect the Employer's privacy;
- 7) Personal Attendant agrees to pay all required federal, state, and/or local wage and/or income taxes levied against the Personal Attendant's wages. The Personal Attendant agrees to cooperate with the Employer and the Employer's Fiscal/employer agent in providing information needed to comply with all income and unemployment taxation laws and regulations;
- 8) Personal Attendant understands that this agreement does not guarantee employment or payment of wages for any time period;
- 9) Personal Attendant understands that the Personal Attendant is employed by the Employer and not by the Services Facilitator Provider, the Employer's Fiscal/employer agent, or the Commonwealth of Virginia;
- 10) Employer's property is not to be used for the Personal Attendant's personal use, unless mutually agreed upon by both parties prior to use of property. All private matters discussed during working times will be kept confidential; and
- 11) Personal Attendants are to be punctual, neatly dressed, and respectful of all family members. All instructions as to care will be carried out carefully. The Employer's telephone may be used only with prior permission on each occurrence.

Employer Responsibilities

- 1) Employer agrees to select or employ Personal Attendant **on an interim basis pending completion of a criminal history record check, for those crimes as specified in 12 VAC 30-90-180.** The Employer has discussed with the Personal Attendant and reserves the right to dismiss the Personal Attendant based on the results of the criminal history record check.
- 2) Employer agrees to orient, train, and direct the Personal Attendant in providing the Personal Attendant services that are described and authorized by the Employer's service plan or that are

requested by the Employer.

- 3) Employer agrees to establish a mutually agreeable schedule for the Personal Attendant's services either orally or in writing.
- 4) Employer agrees to provide adequate notice of changes in the Personal Attendant's work schedule in the event of unforeseen circumstances or emergencies, but such notice cannot be guaranteed.
- 5) In consideration of Personal Attendant's satisfactory job performance, the Employer agrees to authorize completed Personal Attendant time sheets and to pay the Personal Attendant net wages on a regular and timely basis according to a predetermined payroll schedule. Net wages will include gross earnings calculated according to the Personal Attendant's pay rate minus payroll deductions for employee's share of FICA and other deductions as appropriate.

Mutual Responsibilities

The parties agree to follow the policies and procedures of the Employer's Services facilitator, of the Services facilitator's Agency's designees, and of the EDCD/IFDDS/MR/AIDS Waiver Programs. The Personal Attendant and Employer agree to hold harmless, release, and forever discharge the Department of Medical Assistance Services and the Services Facilitator from any claims and/or damages that might arise out of any action or omissions by the Personal Attendant or the Employer.

Employer's Signature (state signing for if not the recipient)	Date
(If Guardian) Relationship to Employer	Date
Personal Attendant Signature	Date
Services Facilitator Signature	Date

You will attach a completed U.S. Department of Justice, Employment Eligibility Verification (I-9) form for the employment packet to be complete.

Pay Schedule

The pay periods will begin and end on the following dates. For example, if a pay period ends on the 31st, and the Attendant starts work on the 29th, the first timesheet would only be for those 3 days. Do not complete the timesheet for 14 days.

2005

PERIOD BEGINNING	PERIOD ENDING
01-06-05	01-19-05
01-20-05	02-02-05
02-03-05	02-16-05
02-17-05	03-02-05
03-03-05	03-16-05
03-17-05	03-30-05
03-31-05	04-13-05
04-14-05	04-27-05
04-28-05	05-11-05
05-12-05	05-25-05
05-26-05	06-08-05
06-09-05	06-22-05
06-23-05	07-06-05

PERIOD BEGINNING	PERIOD ENDING
07-07-05	07-20-05
07-21-05	08-03-05
08-04-05	08-17-05
08-18-05	08-31-05
09-01-05	09-14-05
09-15-05	09-28-05
09-29-05	10-12-05
10-13-05	10-26-05
10-27-05	11-09-05
11-10-05	11-23-05
11-24-05	12-07-05
12-08-05	12-21-05
12-22-05	01-04-06

2006

PERIOD BEGINNING	PERIOD ENDING
1-5-06	1-18-06
1-19-06	2-1-06
2-2-06	2-15-06
2-16-06	3-1-06
3-2-06	3-15-06
3-16-06	3-29-06
3-30-06	4-12-06
4-13-06	4-26-06
4-27-06	5-10-06
5-11-06	5-24-06
5-25-06	6-7-06
6-8-06	6-21-06
6-22-06	7-5-06

PERIOD BEGINNING	PERIOD ENDING
7-6-06	7-19-06
7-20-06	8-2-06
8-3-06	8-16-06
8-17-06	8-30-06
8-31-06	9-13-06
9-14-06	9-27-06
9-28-06	10-11-06
10-12-06	10-25-06
10-26-06	11-8-06
11-9-06	11-22-06
11-23-06	12-6-06
12-7-06	12-20-06
12-21-06	1-3-07

If you have questions regarding pay periods, please call your Services Facilitator or Case Manager.

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
Consumer Directed Services Timesheet

Attendant's Last Name	Please Print	Attendant's First Name	Please Print
Social Security Number			

Recipient's Last Name	Please Print	Recipient's First Name	Please Print
Social Security Number			

Circle One:										
Attendant	Respite	Companion	WEEK 1:		+	WEEK 2:		=	TOTAL HOURS:	

My signature certifies that I have provided a service on the dates listed below. I understand that payment for this service will be from federal and state funds, and that any false claims, statements, documents, or concealment of material facts may be prosecuted under applicable federal and state laws. I also understand that, if applicable, I will receive as part of payment for my services the individual's patient pay amount.

Assistant/Companion's

Signature: _____ Date: _____

Patient Pay: I understand that, if applicable, I must pay the attendant(s) my patient pay amount when they receive their pay stub. The amount that I am responsible to pay to the attendant who had the patient pay amount deducted as indicated on their payroll stub is \$_____. This payment goes toward the cost of services provided and will be deducted from the payment made by DMAS to the attendant(s).

My signature certifies that I received service on the dates listed below.

Recipient/Authorized

Signature: _____ Date: _____

WEEK 1	THURS.	FRI.	SAT.	SUN.	MON.	TUES.	WED.
Date:							
Time In:							
Time Out:							
Time In:							
Time Out:							
TOTAL:							
WEEK 2	THURS.	FRI.	SAT.	SUN.	MON.	TUES.	WED.
Date:							
Time In:							
Time Out:							
Time In:							
Time Out:							
TOTAL:							

Report Outline

A. Bi-weekly, Quarterly, and Annual Attendant Payment Reports

- Total number of payroll checks issued in each batch run
- Total number of unduplicated attendants paid in each batch run
- Total number of unduplicated recipients receiving services in each batch run
- Total hours of service paid in each batch run: by waiver and services within the waiver
- Total amount of payments made to attendants in each batch run: by waiver and services within the waiver
- Average payment per service by waiver and services within the waiver
- Total number of employment packets received each week
- Number of employment packets approved each week
- Total number of attendants approved to provide services
- Total number of recipients approved to receive services
- Number of new attendants approved each week
- Number of new recipients authorized each week
- Number of attendants made inactive each week
- Number of recipients made inactive each week
- Average number of attendants per recipient
- Number of attendants, recipients, and services facilitators receiving technical assistance and type of assistance provided
- Reconciliation of improperly cashed or issued checks, stop payment on checks and report re-issuance of lost checks or improperly issued checks.
- Reconciliation of incorrect social security numbers for attendants

B. Monthly Complaint Report & Log

- Compilation of the complaints by source and type
- Compilation and details of the nature and number of complaints resolved

C. Annual Recipient Satisfaction Survey

D. Quarterly Quality Assurance Activity Report

E. Annual Report

- System description
- Contracted services
- Major problems and how addressed
- Future Plans
- Suggestions to DMAS
- Statistical summary of information provided in C

F/EA'S COST DETAILS FOR IMPLEMENTATION

Item	Total Price of Initial Contract Period
Cost of Bonds	
Computers, including Software	
Telephone and other Communications	
Office Space, Furnishings, Utilities	
Consulting Services	
Other Expenses (Detailed):	
Grand Total	*

**RFP 2005-05
Reference Form**

Contract Name:	
Customer name and address:	
Customer contact and title:	
Contact Phone number:	
Scope of Services of Contract:	
Contract Type (fixed price, fee for service, capitation, etc)	
Contract Size (# of clients served, checks cut, etc):	
Contract Period	
Number of F/EA staff assigned to contract:	
Annual Value of Contract:	

Payroll History
September 2004 – February 2005

Batch Date	Amount of Payroll	Number of Checks	Number of Recipients Receiving Services
09/21/04	\$ 602,357.23	1041	1013
10/05/04	\$ 729,731.06	1169	1127
10/19/04	\$ 653,901.62	1123	1072
11/02/04	\$ 747,376.27	1263	1209
11/16/04	\$ 701,049.04	1231	1192
11/30/04	\$ 687,024.94	1181	1138
12/14/04	\$ 744,688.54	1308	1237
12/28/04	\$ 669,148.95	1174	1125
01/11/05	\$ 777,170.20	1234	1211
01/25/05	\$ 761,328.90	1315	1262
02/08/05	\$ 760,986.25	1284	1217
02/22/05	\$ 747,791.53	1315	1237

Cost Proposal: Offeror's Cost Details for Pricing**Projected Per Member Per Month Costs**

PMPM Cost	Price of Contract Year One	Price of Contract Year Two	Price of Contract Year Three